



National Council on Economic Education

**Testimony of Dr. Robert F. Duvall
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before the

**Subcommittee on Oversight of Government Management, the Federal Workforce,
and the District of Columbia**

Senate Committee on Homeland Security & Governmental Affairs

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Chairman Akaka, Ranking Member Voinovich and Members of the Subcommittee:

Thank you for inviting me to testify today on the timely, critical, and vital issue of the federal government's role in empowering Americans to make informed financial decisions.

Who We Are and What We Do

The National Council on Economic Education (NCEE) is a unique nonprofit, nonpartisan organization directed by a governing board of volunteer leaders from education and business, with the clear and compelling purpose of helping young people learn to think and choose responsibly and successfully.

For 60 years NCEE has been leading the charge to improve economic and financial literacy through education in the nation's schools. Today, both the need for what the NCEE does best, and the opportunities to effect change, are greater than ever.

We at the NCEE believe our young people deserve to know about the economic system they will be laboring in, contributing to, benefiting from, and ultimately, inheriting. Since our founding, we have learned that economic and financial literacy, taught early, often, and well, is a key factor in our nation's continued success in the global economy. Our charge is to ensure that all our young people are empowered with an "economic way of thinking", a critical skill set that will help them make good decisions about managing their resources—as members of families and communities, in the workforce, and as citizens—all their lives.

The NCEE is differentiated by our mission. We believe that financial literacy comes through effective education, that the education must be part of the core learning experience that our young people get while they are in school, K-12, and that they will best learn the basics of practical, applied economics and personal financial decision-making through well-trained teachers, who are equipped with excellent standards-based teaching materials.

NCEE delivers its program both directly and through a unique nationwide network of affiliated State Councils and university-based Centers for Economic Education. Through these channels we reach 150,000 K-12 teachers and over 15 million students in more than 70,000 schools each year.

NCEE is the premier source of teacher training and teaching materials used to instill an understanding of basic economic principles for students in kindergarten through 12th grade. NCEE's materials are the state-of-the-art and the standards-setter in the drive to improve economic and financial literacy.

NCEE also conducts an international teacher-training program, which carries our free market principles to the world. Congress has provided funding for the NCEE's *EconomicsInternational* through the *Cooperative Education Exchange Program* (CEEP). This program has been a tremendous success story in international outreach and education, serving 31 foreign countries and reaching more than 13.2 million students since 1995. NCEE is grateful for Congress' continuing support for this important program.

Economic and Financial Literacy

The need to strengthen, expand and enhance education in economics and personal finance in our nation's schools remains urgent. We must prepare our students with the basics of economic and financial literacy so that they can succeed in life. There is widespread agreement for these propositions among policymakers, business leaders and educators. The questions now before us, I believe, are:

- How to improve and expand economic and financial literacy?
- How can we measure results and outcomes, to be sure we are making a difference?
- What role can the federal government play in this effort?

What Can Be Done?

In order to address the economic and financial literacy gap, our elementary and secondary schools must integrate standards-based economic education into their core curriculum. The NCEE, through its *EconomicsAmerica* program, along with other partners, is striving to accomplish this goal. The federal government is now playing a critical role in providing resources for these efforts through the *Excellence in Economic Education* (EEE) program.

Let me now focus on the importance of the EEE.

Thanks in no small part to your efforts, Mr. Chairman, Congress authorized the EEE program as part of the No Child Left Behind Act “to promote economic and financial literacy of all students in kindergarten through grade 12.” Congress specified that the Department of Education awards EEE funding through a competitive grant to a primary grant recipient. This organization then uses the funds to: strengthen relationships with state and local economic education and financial literacy entities; support K-12 teacher training; support research and assessment of economic and personal finance education; and develop and distribute economic and personal finance educational materials. The primary grant recipient must also distribute 75% of the funds to state and local education organizations.

In 2004, at the inauguration of the EEE Program, in a competitive application process, the US Department of Education selected NCEE as the “designated hitter” that is, the administration for implementing this important initiative. Since that time we have been proud to play this important role, distributing over 300 subgrants to state and local educational organizations and conducting several important activities directly that are advancing the field. We are grateful for our continuing, productive work with the Department of Education in ensuring and maximizing the effective, efficient use of these funds and magnifying the impact of a relatively small dollar amount.

The EEE directly supports the most important actions educators can take to improve economic education in our elementary and secondary schools:

- Professional development for teachers;
- Distributing high quality, standards-based and standards-setting educational materials to teachers and classrooms;
- Fostering active learning for students; and
- Evaluating and assessing economic and financial education outcomes and promoting “best practices”

Teaching the Teachers

Well-prepared teachers instill in children a sense that they are themselves future stakeholders, decision-makers and movers of the American economy. Through innovative lessons, simulations and other active-learning techniques, they help students see that to grasp the basics of economics is to grasp the reins of lifelong empowerment – for themselves, their families, their communities and our country. Ensuring teachers are well trained in economics is especially critical because more often than not, the teacher assigned to this class specializes in another subject.

EEE has provided meaningful resources for teacher training. In the first year of the EEE, 36 subgrants were awarded to establish and conduct teacher training programs, including for those teachers who specialize in another discipline.

Infusion of personal finance and economics into other classes can be an effective way to assure these subjects a place in the curriculum. NCEE has developed extensive experience in addressing the challenge of infusion. Among the NCEE's materials keyed to curricular integration is "Mathematics and Economics: Connections for Life" (www.mathandecon.ncee.net), which we developed in partnership with the National Council of Teachers of Mathematics.

But integration of economics into other subjects requires effective training. Several EEE subgrants have been directed toward training programs for curricular infusion, including:

- Training on Integrating Economics into the Classroom for Grades 6-12 Social Studies Teachers;
- Elementary and Middle School Integration of Economics with Literature, Math, Social Studies and Practical Living;
- Integrating Economics into High School History Courses in New Mexico;
- K-6 Teacher Training on Integrating Economics with Other Subjects through Ohio Academic Content Standards;
- Integrating Environmental Economics into Secondary Science and Social Studies Curriculum; and
- Training on Integrating Economics and Geography for Middle School Teachers using an innovative set of lesson plans entitled "Middle School World Geography: Focus on Economics".

Distributing Curricular Materials

Well-trained teachers still need classroom-tested materials to educate students. NCEE has developed a wide range award-winning materials, which are constantly revised and updated.

This year, EEE funding allowed the NCEE to distribute 14,000 Virtual Economics CD-ROMS to every school district in the country. Virtual Economics is a comprehensive lesson planning and professional development resource for K-12 teachers, which includes a database of over 1,200 lessons keyed to grade level, concept, Voluntary National Content Standard in Economics and each state's economics standards. The CD-ROM also includes a glossary of 500 economics terms and definitions and 51 multimedia demonstrations of key microeconomics, macroeconomics, international economics and personal finance concepts. Virtual Economics provides "one-stop-shopping" for any educator who wants to bring economics and financial literacy into the classroom. Thanks to EEE, this program is now available in every school district in the U.S.

Evaluation and Assessment

Perhaps one of the most important ways we can improve economic and financial education, and ensure results, is through rigorous evaluation and assessment. There is no shortage of economic and financial education materials. It is essential for educators to know which of these materials are validated through effective evaluation and review. Assessing effectiveness is a top priority for the NCEE in everything we do.

Let me share a glowing example of how the NCEE has used federal funds provided by the EEE to make a real difference.

“Financial Fitness for Life,” developed by NCEE, is an award-winning, highly-acclaimed comprehensive K-12 program, which helps students apply economic and decision-making skills to the real world of earning and spending an income, savings, using credit, investing, and managing money—that is, a fitness program, getting in shape financially. The NCEE awarded a grant of EEE funds, in accordance with the terms of the guidelines of the EEE program, to economic education researchers Cynthia L. Harter and John F.R. Harter of Eastern Kentucky University, who tested the effectiveness of “Financial Fitness for Life” in an economically underprivileged region of Kentucky. The study found that the use of “Financial Fitness for Life” significantly increases “student performance on a post-test assessment when compared with a pre-test of those same students.” The study also found that “Financial Fitness for Life” increases financial literacy, and that “for 7th-, 8th-, and 10th grade students, this increase is higher than what results from whatever other curriculum, if any, the teachers were previously using to teach financial concepts.” This is powerful.

Obviously we were encouraged by the results of this assessment of “Financial Fitness for Life”, but this study is only one example of the need to continually review and evaluate the wide range of financial education materials that are being produced and distributed.

Evaluation and assessment is the culminating, but very necessary step in financial and economic education. The first step is developing the materials. The second is training teachers. The third is delivering the materials through these teachers into the classroom, and into the heads and hands of young people so they can use this education in life, in the “real world”. But only through evaluation and assessment will we know whether we are effectively delivering economic education and whether this education makes a meaningful difference in students’ financial and economic literacy.

What Can Congress Do?

We are encouraged by Congress’ increased focus on economic and financial education issues over the last several years. A focus, Mr. Chairman, that owes much to your dedication and hard work in this vital area. Thank you!

In 2003, Congress created the Financial Literacy and Education Commission. The NCEE has worked closely with the Commission, including by providing comments on the National Strategy that the Commission was charged with developing. We commend the Commission for holding its recent summit on K-postsecondary financial education, in which we participated, and in which NCEE-trained school teachers and teacher trainers were featured panelists. Regular Commission meetings and events like the Summit provide valuable opportunities for organizations to learn what others are doing and identify potential partnerships and other cooperative initiatives. This reduces duplication

and can magnify educational efforts when two or more organizations find a way to productively work together.

Through your efforts Mr. Chairman, Congress has also provided needed resources through the EEE program. As I have illustrated, the Excellence in Economic Education Program (the EEE) allows the federal government to strengthen, expand and leverage effective economic and financial literacy education at the local level in our nation's primary and secondary schools, for relatively few dollars. The EEE maximizes the impact of each federal dollar by requiring matches for subgrants and leveraging ongoing private sector efforts. Finally, the EEE addresses the key pieces of the economic education and financial literacy puzzle: teacher training; development and delivery of curricular materials; and evaluation and assessment.

I encourage Congress to maintain, and if possible increase, funding for this needed program.

Conclusion

I am very gratified that this Subcommittee is focusing on economic education and financial literacy. Teaching sound economics and personal finance, and making it stick, is not only vital to an individual's success and well-being, but will ultimately contribute to ensuring a strong national economy and a more prosperous future for our country.

Thank you again for inviting me to testify today, and I will be happy to answer any questions.