

## **High School Economics Texts and the American Economy**

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*More than half of high school students study economics. But what have they learned? This remarkably resourceful author finds that they learn about economics but not the economy. There are some mentions of poverty and the minimum wage but none of insider trading and downsizing in these texts, but a lot about the basic tools of neoclassical economics. Is that the right curriculum for a nation dealing with high unemployment and inequality? Gans thinks not.*

The November 2014 election appears to have been just another midterm event in which the president's party lost control of Congress. However, it was at a time when many voters (and nonvoters) were still encountering economic difficulty and might have voted differently had they received an economic education, or a better one than they have so far been given.

Although a majority of poll respondents told the pollsters that the state of the economy was their major problem, a landslide majority of the voters elected the very political party that had sabotaged attempts to heal the economy. Worse yet, it was the same party that had sickened the economy while its man was president. Worst of all, many of the citizens who were the prime victims of the Republican assaults on the economy did not vote.

Actually, one would think that with rising educational levels, more people would know enough to blame the politicians mainly responsible for the ills of the economy. Moreover, in hard economic times, one could expect more people to vote, and to vote their economic interests ahead of all but the most deeply felt noneconomic values.

If Thomas Piketty and his colleagues are correct to predict yet greater economic inequality and further declines in incomes and job security, the victims will have to obtain an economic education oriented to increasing their understanding of the economy.

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Since many future political battles are likely to be fought over whether and how government should intervene on behalf of those hurt by economic inequality, their economic education will also have to include a potent dose of politics and political economy.

Admittedly, improving economic education now will not bear fruit until today's young people become voters. Even then, such an education alone will not persuade the victims of inequality to vote their economic interests. Still, it could add support to political and other efforts to reduce the country's inequality.

## HIGH SCHOOL ECONOMICS

In theory, a democracy should be expected to make a special effort to educate its people to be effective citizens. However, many of the Founding Fathers sought to minimize mass political participation, and perhaps they learned from their slave-owning colleagues that withholding an education might help to minimize that participation.

The invention of mass public education included little or nothing in the way of an economic or political education, but eventually, courses in civics and social studies were added to the high school curriculum. Today's social studies courses often include some economics, although much of it is devoted to personal finance. It teaches students about handling checking accounts, buying cars, financing a college education, and the like, but not about the rest of the economy.

Now, several of the social sciences are being added, including economics. In fact, in 2014, twenty-four states required the offering of a high school course in economics, although only thirteen demanded that students be tested on the subject (Council for Economic Education 2014b). Still, in 2009, nearly 60 percent of high school graduates had taken an economics course (Walstad and Rebeck 2012).

Up to now, few economics researchers or educators seem to have gone into the classrooms to learn how and what economics is taught and what students are learning. Currently, the most accessible evidence is the textbooks being used in high schools, although not all teachers actually use a text. Even so, a study of the texts would shed some light on what the country's high school students are being taught about the economy.

Doing such a study is no easy task, since most texts run to 600 pages or more. They are also divided into semester and year-long texts as well as regular and advanced ones, the latter for advanced placement courses giving students college credit for an economics course.

However, the study is made easier by the fact that the texts are remarkably similar. Although individual authors may devote a few more pages to subjects that particularly interest them, the texts all follow a significantly common structure.

They do so because, like most high school texts, they must satisfy a set of standards established by disciplinary or other associations before local or state textbook buyers will purchase them for their school districts. In effect, the texts are standardized.

High school economics texts are primarily guided by a set of twenty standards suggested by the Council for Economic Education, a nonprofit organization describing itself as devoted to the advancement of economic literacy (Council for Economic Education 2010).

The twenty standards are written by a team of well-known university economics professors. They not only suggest general subjects to be covered, but they also shape much of the organization, content, and even tone of the texts.

Although the Council seeks to make students economically literate, the substantive requirements of that literacy are not spelled out, other than by the standards. Judging by them, and the texts, literacy means a conceptual, substantive, and implicit political understanding, not of the actual economy but of a model of an ideal American market economy.

One possible explanation for this conception of economic literacy can be obtained from the membership of the Council's twenty-six-person board of directors. It includes fifteen executives and other officers of a variety of financial, corporate, and other private firms; five academics; three foundation representatives, two of them supporting economic literacy; and three others (Council for Economic Education 2014a).

The first standard is titled scarcity, and the next three—on decision making, allocation, and incentives—describe what goes into the case of people having to choose among scarce resources.

However, the remaining standards deal mainly with the components of the competitive market economy. The next six standards lay out the basics of that economy, the prices, and other activities that elaborate on the workings of supply and demand.

The three following standards basically concern money: its role in inflation, then in interest rates, and finally as income. A further two standards are about what the Council seems to consider crucial to a market economy: entrepreneurship and economic growth, with the former being described as an important source of the latter.

Three more standards concern government-market relationships. One is titled "Government and Market Failure," although the standard itself says nothing about that failure and instead emphasizes government's protection of property rights and attempts to make markets competitive. The second is about government failure, including government's social goals that interfere with economic efficiency. The third covers fiscal and monetary policy, although mainly its effects on the market economy.

The final two are nominally about economic fluctuation as well as unemployment and inflation, but also about the role these factors play in

recessions—perhaps because this edition of the standards was published just after the Great Recession. However, nothing is said about the role that other economic institutions and practices play in recessions.

## THE TEXTBOOKS

Guided by reviews of the major and most widely used texts (Leet and Lopus 2003; Marri et al. 2012), I examined seven of these texts: Arnold 2001, Clayton 2001, Krueger and Anderson 2014, Krugman and Wells 2009, Mankiw 2007, McConnell and Brue 2008, and O’Sullivan and Sheffrin 2007.

Since current editions are not held by university libraries, and each costs around \$300, I ended up purchasing cheaper and therefore older editions, but a look at yet older editions suggested that new editions rarely change the basic structure and content of the texts.

Before I opened these texts, I thought they would teach students about the economy in which they must someday function as adults. Since these students will shortly become eligible to vote, I assumed that the texts would also teach them enough about the government’s economic role so that the newly eligible voters could vote and otherwise participate intelligently in the politics relevant to that role.

In fact, however, the texts I examined are not about the economy but about economics. They teach students how the discipline describes, conceptualizes, and analyzes a variety of economic processes, actions, and institutions. Above all else, the texts teach the apparently timeless principles of a discipline that studies an economy in constant flux and frequent turmoil.

Although the texts illustrate their analyses with examples from the American economy, they emphasize concepts. Glossaries of such concepts at the ends of the texts number mostly in the 400s and 500s, ranging from just under 300 in one case to over 1,000 in another. But concepts are tools for studying economies and can do little to teach students about the economy in which they will live.

A systematic content analysis of the texts is a research team task, and what follows is a superficial read-through and an impressionistic analysis—and one, I must note, conducted by a sociologist. In addition, I analyzed the attention given to a variety of subjects by counting the total number of pages associated with each subject as reported in the index, being careful to choose only those playing important roles in the economy prior to the texts’ publication dates.

This measure is imperfect, for the seven texts were not chosen systematically. Also, the number of pages shown in the index cannot report the actual number of words and paragraphs devoted to each subject. Further, authors emphasize some subjects over others, and indexers may classify similar ideas differently.

Nonetheless, all of the texts are built on a theoretical and conceptual foundation of mainstream neoclassical economics, sometimes updated to apply to a few of today's economic institutions. However, their authors do not pay much attention to the global and other large corporations and related organizations that now dominate the economy. Consequently, the texts often seem to describe an eighteenth- or nineteenth-century economy of individual producers and small businesses.

Every text begins with meeting the first Council for Economic Education standard, describing the main task of economics as instructing students that resources are almost always scarce. They go on to teach that everyone must make choices among these resources, not only individuals who include sneaker-buying high school students, but also firms and governments that must allocate the scarce resources available to them.

None of the texts notice that some individuals, firms, and institutions have more than enough in the way of resources to avoid worries about scarcity when they make allocation decisions.

More important, no authors suggest other priorities for economics or definitions of the discipline—for example, a more general one that covers the financing, production, distribution, and consumption of resources, goods, and services.

Subsequently, the texts describe an economic world dominated by an abstract entity called the market. It is, in turn, ruled by the law of supply and demand, which determines prices, wages, and much else. The texts are full of supply-and-demand charts and curves to back up this lesson. They portray people, institutions, and the larger economy as striving for perfect competition and equilibrium, although monopolies, cartels, and other obstacles stand in the way.

This emphasis is supported by the count of page mentions in text indexes. Market and market-related concepts appeared on 449 pages of the seven texts, equilibrium on 169 pages, and various applications of marginality on 222 pages. Perfect competition was mentioned on 94 pages.

Conversely, components of the actually existing economy appeared frequently only if they were included in the standards, but those considered problematic, especially recent ones, were hard to find. Multinational corporations received 15 page mentions, outsourcing, 7 pages, but hedge funds and insider trading none.

Likewise, subjects that do not fit the neoclassical conception of economics and problems that some students might eventually confront received few mentions. Thus, the minimum wage was discussed on 34 pages, and part-time employment on 4. However, involuntary part-time employment did not appear in the index, nor did downsizing. Poverty was discussed on 44 pages.

Government participation in the economy was underplayed as well. The welfare state appeared on 27 pages of one text and once in another. Public investment obtained 3 mentions, and while public resources, goods, and

spending were mentioned on 136 pages, 101 of them were concentrated in three texts. Regulation and deregulation were discussed on 34 and 9 pages respectively, redistribution on 11.

Economic growth is a more favored topic, however, being cited on 178 text pages. So are entrepreneurs, who are seen as playing a vital role in economic growth. Although they were mentioned only 50 times, some texts also describe and praise a number of American entrepreneurs by name, particularly the texts that advertise a relationship with a business magazine or newspaper.

However, entrepreneurs are most prominently emphasized in a list of what are called factors of production, presented at the beginning of all the texts. Sometimes also called resources, the four are land, labor, capital (financial and human), and entrepreneurs. Although they are mentioned last, they are the only actual humans in the quartet, employees and employers being conceptualized only as labor and human capital. Incidentally, employees appear on only 16 pages of the seven texts.

In some respects, the four factors also seem to have been left over from another era, since land, other than real estate, and raw material extraction no longer seem as important in the American economy as they once were. For example, in today's economy, technology, information, and cyberspace deserve being added to the list of factors. So should government, especially since even in a textbook economy centered on markets, it often supplies the capital and subsidies that help entrepreneurs get started or keep going.

The current list of factors also suggests the scarcity of what social scientists call agency. The overall picture of the economy is, with some notable exceptions, one of impersonal processes that seemingly operate without or with only occasional human intervention.

This pattern is established from the very beginning of the texts, for in the discussion of scarcity and resource allocation, the allocating is done by society. Whatever its metaphorical or conceptual usefulness, society is an imagined social body that lacks the body parts that actually allocate. However, claiming that society can allocate preempts potentially political—and perhaps classroom—controversy about which individuals, populations, institutions, and other human agents actually participate in allocation processes.

The reference to society may not be accidental, since the texts avoid references to politics as much as possible. The words politics or political appear on 37 pages in the indexes of the seven texts, and political economy on 5 pages, all in one text. By the same token, the two government texts I looked at (McClenaghan 2007; Teachers Curriculum Institute 2009) pay equally little attention to the economy. The duo referred to economic or the economy on only 21 pages, and political economy on none.

Moreover, the economics texts are remarkably free of explicit position taking and ideology. Instead they try to be balanced, much like the mainstream news media that must also deal with diverse constituencies and with pressure and interest groups that watch for ideological deviance.

For example, when the texts discuss the minimum wage, they also mention the dispute about its effect on employment, and when they discuss the national debt, they consider its effects on the economy. The writers almost always report both sides, although some will use empirical data or judgmental language to suggest which side they support.

Even so, the textbook authored by Paul Krugman and Robin Wells and that written by Gregory Mankiw are not very different in structure or in ideology. They both adhere to the Council for Economic Education standards, and while both give more attention at times to their favorite subjects, neither text reads like the columns the authors write for the *New York Times*.

The texts are so devoid of explicit politics as well as ideology and the values these represent that unless teachers bring them in via lectures or class discussions, students are given an economic world that omits a good deal of human social input (Marglin 2012). As one study of the texts puts it: “what is missing is a careful examination of how everyday citizens can gain knowledge, acknowledge values and work toward a reasoned and reality-based view” (Marri et al. 2012, 294).

## GRADING THE COURSES

As noted earlier, more than half of all high school graduates have now taken an economics course, but we do not know what they have been taught or what they have learned. A 2005 Harris poll that quizzed a sample of students on their knowledge of some textbook subjects reflecting the standards of the Council for Economic Education (then called the National Council on Economic Education) reported that six in ten students received a failing grade (National Council on Economic Education 2005).

We know only a little more about the teachers. In some places, they need undergraduate degrees with majors in economics, although how many actually meet that requirement or are social studies teachers drafted to teach economics is not known.

A survey of a national sample of economics teachers showed that they are somewhat more market-oriented and otherwise conservative about economic issues than other social studies teachers (Schug, Dieterle, and Clark 2009). While they think economics should be used to turn students into “critically minded, reflective citizens,” they do not believe it should develop “activists to... solve current societal problems” (ibid., table 1). In addition, they place “injustice in the economic system” low on a list of important curriculum topics (ibid., table 2).

The survey sample was small, but if the study reflects a national pattern, it would seem that either the teachers reflect the general tenor of the texts or the texts are designed to fit the teachers.

In any case, there is no indication that either texts or teachers aim to train students to learn to deal with the economy they will enter sooner or later. Admittedly, training even seniors in this way could be difficult. Except for those who need to work while in high school, they will have had little contact with that economy, other than the adolescent consumption markets that are covered in personal finance sections of the texts, or in entire courses devoted to personal finance.

Furthermore, the textbooks, or at least current ones, are embedded in, and thus governed by, the same free enterprise economy their authors are describing. Like many other consumer goods, the texts are manufactured and distributed by profit-seeking oligopolies. About half a dozen large corporations dominate the overall high school text market.

The texts are also expensive and massively labor-intensive enterprises, for each is produced by up to twenty editorial and production staff members. In addition, the texts are looked over by fact checkers and reviewed by several dozen high school and college instructors; one text thanked over a hundred of them.

In some respects, the textbook industry resembles the automobile industry, manufacturing a standard product but with a raft of stylistic and other variations. Some economics texts come in year-long and semester versions; others divide their subject matter into micro- and macroeconomics.

There are also student and teacher editions, the latter often outlining a sample course for the novice teacher, complete with homework assignments. Student editions all have accessory features, such as highlights, illustrative case studies, lists of important points to remember, and a variety of quizzes.

Because the texts are produced for purchase by school boards and other governmental bodies, their content is shaped by a variety of political requirements. Like the abovementioned standards, these are influenced by a handful of private and nonprofit interest groups, most promoting and protecting the hegemony of free enterprise.

Moreover, the texts must be acceptable to school boards, many of which include local businessmen and women, as well as to potential parent and other citizen protesters, many of them advocating conservative social and economic values.

A handful of politically and socially conservative states are particularly influential, Texas being so powerful that special Texas editions are produced by some textbook publishers (Collins 2012). Indeed, an economics text that emphasizes the social and other costs of private enterprise is probably unpublishable.

Unless teachers depart from their texts, the critical thinking from students that they consider important may have to wait until students enter college or the university of hard knocks. Despite the belief that education can change society, public education is in most places firmly cemented to the status quo.

## WHAT MIGHT BE DONE

If the country becomes yet more unequal and its labor markets are even less able to produce decent paying and secure jobs, the affected citizenry must be taught how to understand the political economy that creates these conditions.

Today's adults must fend for themselves, but at least the children can still be taught, and on paper, there is a simple solution: required courses on the economy, not on economics.

The textbook publishing industry should be able to produce texts that describe and analyze the American economy, including chapters on the country's political economy and the politics that most directly affect the economy.

The textbooks and their eventual digital successors can be so designed that instructors will be able to supplement and update the texts with current economic news. Discussing the week's economic news relevant to the course may sometimes benefit student learning as much as textbook readings. Publishers or their successors can certainly create websites that prepare the economic news for both students and teachers.

Textbooks on the American economy must deal with current issues and controversies and may therefore run into opposition from the guardians of conservative economic ideology. For that reason alone, parallel organizations advocating textbook standards and defending textbooks that support a liberal market economy supported by welfare-state institutions must be established. In fact, such organizations should already have been established long ago.

Wherever the political climate is favorable and students are receptive, teachers should be free to go beyond the texts and the news to help their students learn to cope with the economic conditions they are likely to face.

Needless to say, private and charter schools need courses about the American economy as well, although elite schools that are teaching likely future economic and political decision makers may need somewhat different courses.

Undoubtedly, some high school economics teachers are already teaching courses about the American economy, and specialists in economics education should be identifying and describing them. Even so, professional economists and university economics professors should become involved as well and take an active interest how their discipline is and ought to be taught in high school. Perhaps some can even begin to write the needed texts.

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