Incentives and Unintended Consequences

Developing and implementing public policy is difficult. In analyzing economic public policy issues, one of the fundamental economic principles that we emphasize in our Indiana Council programs and materials is that people respond to incentives in predictable ways. (e.g. See our Core Principles of Economics poster.) So it is no surprise that recently published findings of Purdue researchers reveal that because of the very heavy emphasis put on the testing of math and language arts, K-5 teachers in Indiana are spending less time teaching social studies, including economics. (See a summary of this important research in this issue of the Hoosier Economist.)

But I fear the situation is even worse. As I noted in the Fall 2009 issue of the Hoosier Economist, teachers have revealed anecdotally that the nature of instruction has changed, becoming less motivating and more rote. Furthermore, teachers have said that instruction is becoming more standardized across schools. While this instructional practice can provide some minimal assurance that basic skills are being taught, there is the very real risk that innovative approaches by individual teachers, which often reinforce critical thinking and life skills development rather than test-taking ability, may be abandoned.

Accountability is important, but in our rush to implement policies, we must be careful not to violate another of the economic principles we emphasize in our programs: that the consequences of choices lie in the future, and that sometimes our choices lead to unintended consequences.

It is not at all apparent that education decision makers are considering these important instructional issues - and possible unintended consequences - as they formulate new education policy.
ICEE’s annual economics calendar contest is held each year to encourage students to demonstrate their understanding of economics by using their creativity to draw a picture illustrating one of the following economic concepts: Opportunity Cost, Consumers & Producers, Capital Resources, Entrepreneurship, Trade, Productivity, Interdependence, and Spillover.

The contest is open to students in grades 2-8. Judges select 12 winning posters to be printed in the Economic Concept Calendar, which is published through the generosity of Printing Partners, Inc. of Indianapolis.

Congratulations to this year’s winning students and teachers! Calendars are available by contacting the ICEE Office.
Students of Carmel High School economics teacher, Michelle Foutz, excelled again in the highly competitive Economics Challenge Competition. The Carmel team of Vikas Vavilala, Vince Reuter, Clint Grable, and Jimmy Sun finished third in the advanced “Adam Smith” Division at the national championship held in New York City this spring. Over 1,200 teams from throughout the United States competed. Besides Carmel, the five other finalists were from Texas, Hawaii (the eventual winner), California, Alabama, and Maryland. Below are some comments from Michelle and her students.

“My students had an exciting year participating in the 2010 Econ Challenge competition. Some aspects of the competition changed this year due to limited funding. However, the Indiana Council and the Council for Economic Education did a phenomenal job of organizing the competition, despite some financial cut backs.”

“The trip to New York for the final round of competition was an experience that our kids will always remember. Going to see a Broadway play and boating through the New York harbor on a dinner cruise were a few of the fantastic activities planned for the students. When the kids weren’t sightseeing, they competed in two rounds of competition against five other teams from throughout the United States.

“Although we didn’t win the top prize, my students had a fantastic experience. This competition is one of the best economics programs I’ve had the opportunity to be a part of. There is nothing that we do that generates a greater level of enthusiasm for studying economics than participation in this program.”

“In these trying economic times, it is more important than ever for people of all ages, especially students, to understand fundamental economic forces that touch almost all aspects of their lives. The Economics Competition is an outstanding method to help students understand this crucial subject.” Vikas Vavilala

“I liked the new format this year, replacing the regional competition with the national semifinal. The questions were more challenging, but that just made it more exciting. The Council did a great job of blending entertainment and competition on the national stage.” Vice Reuter
Classroom Business Enterprise (CBE)  Program is Off and Running

On August 6, 26 teachers met at the beautiful Beck Center near Purdue University to learn how to start or improve their own classroom businesses. This is the third CBE workshop sponsored by ICEE and it was very well received—as usual! Some teachers got their first introduction to the CBE curriculum. Other, experienced CBE teachers came to share their CBE experiences and to help the new teachers. It is always encouraging to see how motivated and excited the teachers are about this creative and real life entrepreneurship program. And how important it is to help our young people develop a positive attitude towards work and entrepreneurship!

Here are some comments from the workshop evaluation form:

Social Studies will be a new curriculum for me to teach this year. I needed a spark of ideas that will be enjoyable to do with kids.

It allows me to do a “fun” project while teaching the standards, and the kids don’t even know it! I love the real-life experience!

I believe this is the best workshop I have been involved in. The entrepreneur did an excellent job showing enthusiasm for her business. My previous CBE experience has been beneficial to the students. They are excited to participate in the process. Keep up the great work!

It is a great project to teach for long term retention! Kids remember what they learned in this class because they actually did the project.

Kazanjian Grant for CBE — Funding Match Needed

The Kazanjian Foundation (http://www.kazanjian.org) has awarded a $55,000 matching grant to ICEE to expand the Classroom Business Program in Indiana and to develop an online training module so that this exciting entrepreneurship program can be delivered nationwide—even worldwide. However, to receive funding, ICEE must raise $22,000 in matching funding. So far, we have not been able to raise this amount. We need one or two major donors willing to commit to this match. For information on how to donate, please contact Beverly Brewer at brewerb@mintel.net or 765-404-3835. Our deadline is early November. Thank you.
Is the Sky Really Falling? An Update on the Status of Social Studies in the K-5 Curriculum in Indiana

By Dr. Phil VanFossen & Chris McGrew

Summary of Current Research

We have been engaged in a line of research that has revealed a continued marginalization of social studies relative to other core areas (e.g. mathematics and English/language arts) in Indiana’s K-5 Indiana curriculum.

Using Indiana teacher data from the 2007-2008 school year, we administered a comprehensive survey to a stratified (by grade) random sample of K-5 teachers in Indiana (VanFossen & McGrew, 2008). This study replicated a similar study using Indiana teacher data from the 2002-2003 school year (VanFossen, 2005) that was designed to report on the status of social studies in the K-5 curriculum in Indiana.

This more recent study provided a second point of reference that may indicate a trend. In each of the two studies, time devoted to social studies instruction decreased. In addition, teachers rated social studies the least important subject area relative to the other core content areas (reading, math, and science). Results from both studies suggest that two factors seem to play a role in the marginalization of social studies: (1) perceived level of administrative support for implementing social studies standards; and (2) lack of a state-wide, high stakes assessment for social studies at the K-5 level.

However, the report indicated that attitudes of teachers toward the social studies may be changing. The current study found respondents devoted less time to social studies instruction than they reported in the previous study. This occurred despite the fact that more teachers were aware of and used the Indiana Academic Standards for the Social Studies in their planning. As in the previous study, there was an association between administrative support for social studies and time devoted to social studies instruction. We conclude that the status of K-5 social studies education is worse than it was when the previous study was conducted and that social studies in the Indiana K-5 curriculum is a discipline at risk.

In order to ensure that social studies remains relevant in the elementary classroom, we believe something must be done quickly. We encourage social studies supporters to contact or visit elected officials and share stories about the marginalization of social studies. We also believe there is a need for more research that might provide evidence of the impact of the recent accountability programs (NCLB and Public Law 221) on elementary schools. We are calling for active participation by the social studies network (which includes the ICEE) in the development of large-scale assessment programs, as well as a general reformation of testing programs.


ICEE Annual Awards Program
September 24, 2010
10:30 a.m.
At the Indiana State House
North Atrium

See http://www.econecon.org/PDF/Invite.pdf for details!
ICEE Hosts Mexican Educators

ICEE was honored to host three outstanding educators from Mexico this past May as part of a Study Tour grant received from the Council for Economic Education through the Cooperative Education Exchange Program (CEEP) funded by the U.S. Department of Education. The goal of the CEEP Program and the Study Tour is to advance reform in economic education in developing democratic market economies. ICEE has hosted many Study Tour visitors from a variety of countries in recent years.

ICEE staff arranged several classroom visits for the three visitors – Aida Hernandez from Marista University, and Jorge Chacon and Marta Velasco from the University of Guadalajara. They had previously spent several days visiting the Arkansas Council for Economic Education. After their visit to Indiana, they visited Washington D.C., where they and Harlan Day met with representatives from the offices of Sen. Richard Lugar, Rep. Mark Souder, and Rep. Andre Carson. All three visitors were impressed with the quality of economic education in Arkansas and Indiana and were very grateful for the opportunity to visit the two states.

Aida, Jorge, and Marta discuss economic education issues at Terre Haute South HS with Dr. John Conant, Center Director, Indiana State University

A visit with the students of Central Middle School, Kokomo

The Mexican visitors enjoyed talking with West Vigo HS teachers Tim Skinner and Cheryl Irwin.

Stock Market Game™ Update

The Indiana Stock Market Game™ is open to Indiana students in grades 4-12. Registration is now open for the following program dates:

- Oct 4 - Dec 10, 2010 Fall Competition
- Feb 7 - Apr 15, 2011 Spring Competition
- Sept 7 - Nov 12, 2010 Enrichment session 1
- Sept 7, 2010 - Apr 29, 2011 Enrichment session 2 Year Long
- Nov 8, 2010 - Feb 18, 2011 Enrichment session 3
- Jan 10 - Mar 18, 2011 Enrichment session 4
- Mar 21 - May 27, 2011 Enrichment session 5

For more information on the program, e-mail the Indiana SMG State Coordinator, Jeff Sanson, (jsanson@purdue.edu) or phone 800-790-6640. You can also visit www.econed-in.org/stockmarket.asp or www.stockmarketgame.org.

The Stock Market Game™ is a program of the SIFMA Foundation & SIFMA Member Firms and is presented in Indiana by the Indiana Council for Economic Education. Major support is provided by the Office of the Indiana Secretary of State, Securities Division.
Indiana State Center Holds Unique Workshop at Yellowstone National Park

By John Conant, Center Director, Indiana State University

Indiana State University’s Center for Economic Education has a history of training Indiana’s middle and high school teachers in a focused way that exposes them to real world problems. The latest example is the Natural Resource and Public Economics Workshop on land use conflicts in Yellowstone National Park that was held this past summer.

One recurring problem is the manner in which our society uses environmental resources, including large tracts of set-aside lands that are in our national heritage. Along with local parks and natural lands are the great expanses of public lands in the west, including Yellowstone, the nation’s first national park. Each year, over three million people visit this park. So it should not be surprising that serious conflicts arise periodically over the uses of Yellowstone’s public lands. Often, and without much knowledge and public input, these conflicts are mitigated through compromise and political pressure.

In this workshop, several environmental and economic conflicts over land use in and around Yellowstone were explored. These conflicts included the recent reintroduction of wolves as natural free-ranging predators, the bison-brucellosis-free ranging cattle controversy, the recently escalating conflict over snowmobile access to the park during winter months, and the new controversy over benefits sharing of commercial gains resulting from research in the park’s unique geo-thermal features (bio-prospecting). Teachers were introduced to these conflicts and the local people whose lives are being changed by them.

“While rigorous and loaded with information, it was an experience that I will carry with me always. It was almost surreal to meet the people and see the places we had discussed in class. The issues are so broad and complex, yet most people don’t even know they exist. This brought an awareness that I plan to share with my students and others in my life.”

“The Yellowstone experience was fantastic. Not only was the beauty and splendor of the park a great backdrop for the class, but having access to so many competing perspectives made the experience truly insightful. The experience provided many outstanding examples of both market and government failures. There is high interest in Yellowstone, and I think using Yellowstone as a context for these economic concepts will make my invitation to consider these ill-defined issues much more enticing to students.” (Chris McGrew)

After spending a week in the classroom learning about the land use conflicts and the economic concepts necessary to analyze them, the group of twelve teachers traveled to Yellowstone National Park to learn firsthand how various constituency groups deal with disagreements and controversies surrounding the use and management of the park’s rich natural resources. Using real issues provided an authentic learning environment that enabled teachers to establish emotional connections, adding a richness to the experience that is not available in a typical classroom.

“The class was amazing, and the value was two-fold. I certainly grew as a teacher, but also as a learner. It was an honor to be able to go to Yellowstone and to learn from people who actually experienced the wildfires, the bison/brucellosis conflict and the wolf/rancher crisis. The pre-trip workshop experience at ISU was essential. I have not attended a better prepared class.” (Deb Delion)

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The workshop was also part of Indiana State University’s American Democracy Project, a program of the American Association of State Colleges and Universities. The American Democracy Project is a multi-campus initiative focused on higher education’s role in preparing the next generation of informed, engaged citizens for our democracy. Considering the various perspectives of constituency groups is an important component in civic discourse and is essential if democracy is to function successfully.

The workshop was made possible by generous funding from the ISU Center for Public Service and Community Engagement, the Indiana Council for Economic Education, and the U.S. Government through the Excellence in Economic Education Act administered by the Council for Economic Education. The workshop, which has been offered each June since 2008, will continue in 2011 given continued funding. For more information, contact John Conant (john.conant@indstate.edu) or Myla Woods (myla.woods@indstate.edu, 812-237-2159).

“Never in all my life would I have even begun to scratch the surface of learning and experiencing all these issues without having actually gone to the park and listening to all the different speakers share the side of the conflict they stood for.” (Beverly Amlaner)
School is back in session, and this year, educational funding is on everyone’s mind. Local, state, and federal issues dealing with funding and reform are making the headlines on almost a daily basis. In times like these, economic and financial education are even more important than ever. People must learn how to budget, save, and invest more wisely. If they lack forethought or economic understanding, it can be very difficult for them to handle life’s challenges.

The Indiana Council for Economic Education is very active in training teachers to incorporate economics and financial education into their classrooms. The Mini-Economy and Stock Market Game™ programs continue to be very popular and effective. One of our latest endeavors, the exciting Classroom Business Enterprise program, is teaching young people to think entrepreneurially. We must continue to provide these kinds of programs to teachers to pass on to their students. But we can only do this with your help. Our donations are down this year:

Many people who have given in the past did not give this year, and organizations, foundations, and corporations have found it necessary to cut back on their giving as well.

**Won’t you take a long look at your priorities and send a check today?** Our recent budget process was challenging as we looked to cut as much as we could without affecting programming. Our losing the funding last year from the Indiana Department of Education and facing other funding problems can only be managed so far. Your contribution is vitally important to the future of today’s children, who are tomorrow’s adults.

You might also consider putting the ICEE in your will. Please contact me at brewerb@mintel.net for more information on how to begin this process.

Please use the form in this edition of the Hoosier Economist to return your contribution today! Thanks!