

Editor's Notebook

At a time of financial crisis and nationwide recession, the need to formulate effective economic policies is once again at the forefront of public debate. This issue's special section on economic education, edited by Mark C. Schug and William C. Wood, reminds us of the importance of teaching basic economic principles as part of the preparation of our students for active citizenship.

Two articles deal with the current economic crisis. James D. Gwartney and Joseph Connors examine the causes of the crash of 2008, which emanated from a housing bubble in which "almost everyone overlooked the seemingly obvious point that low down payment loans made to buyers with larger and larger mortgages relative to income were risky and they would soon lead to higher default rates." (63) The authors blame the crisis on the relaxation of lending standards, faulty Federal Reserve monetary policy, extraordinarily high leverage ratios on Wall Street, and the compulsion of American households to take on unprecedented levels of debt.

Scott Niederjohn and William C. Wood point out that the current crisis has raised the stakes in the long-running economic debate between exponents of Keynesian, monetarist and supply-side theories. The authors outline the differences between the three approaches, and note the influence of the Keynesian approach on the Obama administration's plans for an economic stimulus. The authors warn that stimulus measures need to be carefully structured to direct funds into the right kinds of projects that promote employment and output, bearing in mind that government debt incurred "ultimately must be paid back." (70)

Mark C. Schug, David A. Dieterle and J. R. Clark report on a survey of high school economics teachers that compares their teaching practices and world outlook to those of other social studies teachers. The authors find that economics teachers are more likely to focus on problem-solving, organize classes into small groups, and use the Internet than teachers of other social studies subjects. Their political views are somewhat more conservative than those of their counterparts in other social studies disciplines.

Economic crises often offer a new lease on life to advocates of protectionist policies. In opposition to this trend, Dwight R. Lee reiterates the value of free trade as a means of increasing world prosperity, and points out that, according to the principle of comparative advantage, "no matter how much better a country is at producing goods than other countries, it still benefits from trading with other countries." (80)

M. Scott Niederjohn and William C. Wood consider the burning issue of ethics in business, and examine whether ethics should be taught in economic classes at the high school level.

They present the results of a survey of the effectiveness of lesson plans dealing with ethical issues that have been published by NCEE (the National Council on Economic Education, recently renamed the Council for Economic Education). The authors find empirical support for the argument that it is possible to increase high school students' awareness of ethical issues in economics.

Also on the subject of ethics and economics, we publish one of the above-mentioned NCEE lesson plans presenting two alternative views of the social responsibility of businesses. On one hand, an article by influential economist Milton Friedman argues that "the social responsibility of business is to increase its profits." (89) On the other hand, John Mackey, founder of a successful billion-dollar business, Whole Foods Market, argues that companies should "work for the common good" instead of depending solely on the pursuit of profit to generate positive results for society. Teachers can anticipate lively class discussions on this issue, and the handouts and activities presented in the article will help students make informed judgments on the subject.

Sally Meek and John Morton examine the impact of Advanced Placement courses on the teaching of economics in high school, and conclude that the effects have been beneficial. Not only are students who take AP classes better prepared to study economics in college, but the AP courses have also had the added effect of prompting teachers to raise their instruction to a higher level, which yields benefits for students in the regular, non-AP economics classes they teach.

Complementing the special section, two of our regular columns present distinctive perspectives on economic-related topics. C. Frederick Risinger's Internet column recommends websites that he has found particularly useful for understanding the current economic crisis, and for teaching economics in general. The Looking at the Law column features an interview with tax lawyer and expert William J. Wilkins on the logic and values reflected in the American system of taxation. Tiffany Willey's accompanying teaching suggestions encourage students to examine the foundations, functions and equity of the tax system.

Kathleen Owings Swan and Mark Hofer end this issue by linking the study of the past with a trend that is popular in the present and likely to be more so in the future—the use of podcasts in the history classroom. They present criteria for determining the suitability of podcasts for classroom use, and evaluate a number of podcasts that are available to teachers. They remind us, however, in conclusion that "no matter how current, engaging, or relevant, podcasts don't teach—teachers do." (102)

The editors of *Social Education* welcome the comments of readers on any of the contributions to this issue at socialed@ncss.org. 