

Teaching Students Financial Literacy Using the Internet

C. Frederick Risinger

This issue annually focuses on economics and economics education—what an important and interesting time for this topic. Here we are, in the midst of the biggest and scariest economic crisis since the Great Depression. I’m older than most of the readers of this column. I was born—in 1939—just as the military and industrial buildup prior to World War II began to bring some stability and growth to the U.S. economy after a decade of economic turmoil; yet the Depression dramatically impacted my parents and grandparents and all of my parents’ friends, colleagues, and my dad’s customers in the various businesses he ran and worked in. My granddad, who owned auto distributorships, restaurants, and sawmills, saw his finances collapse.

Even though World War II became the dominant topic of discussion and concern in the 1940s when I was growing up, I heard about starvation, abject poverty, compulsive gambling while trying to recoup losses, and suicides in my little town of 5,000.

And, here we are again. Some financial analysts are forecasting a recovery in the next year or so. Others are predicting that the economy will get worse before it gets better and that it could last six to nine years.

When I first planned this column, I intended to focus on teacher-developed websites for teaching economics. But three things made me change the column’s focus. First, nearly all the websites that I could identify were developed by teachers who taught economics at the upper two years of high school. In most states, economics is taught as a senior level one-semester course; and in many states, it’s an elective. This column is aimed at teachers and supervisors at all grade levels. Second, the rest of the articles in this issue are written by econo-

mists and economic educators, and I did not want to repeat websites they might already be mentioning. For this reason, I did not include the well-respected Council on Economic Education website. Finally, and to me, most importantly, this economic crisis is not just the fault of scheming Wall Street bankers and lax governmental regulation—the vast majority of U.S. citizens went blithely along as the housing bubble turned into a bust and watched—even participated—as credit card debt went through the roof and the national savings rate plummeted to the bottom (compared to other industrialized nations).

As I researched the causes and implications of the current economic crisis, I came across numerous commentaries on how financial literacy was seldom taught (or taught well) in U.S. schools. When I was teaching high school, most economics teachers didn’t want to deal with what they called “consumer economics.” Back then, this type of course was taught by the business education department. It appears that some bias still exists. Studies

of teacher views about financial literacy find that while teachers believe it’s important for kids, many of them don’t spend much time on the topic. A 2007 study of 650 K-12 teachers throughout the country found that about half of the teachers say they do discuss some financial literacy issues with their students, but don’t have the time or encouragement to make it a regular part of their curriculum. The number one reason given by teachers is that it’s not on their local or state standards (another way in which No Child Left Behind lets teachers, students, and the nation down). Yet other studies suggest that courses and units on financial literacy change student behavior. A 2007 study conducted by the group Working In Support of Education (w!se) found that after students participated in a financial literacy program, the number who saved money on a regular basis rose 14 percent, the number who established financial goals rose 20 percent, and the number who developed a spending plan or budget rose 26 percent.

Sites That Help Explain the Economic Crisis for Teachers and Students

Many of the major news network sites, such as CNN and PBS have many articles and excerpts from programs in their archives that do a good job of explaining the collapse of the housing bubble and the “falling domino” effect that led AIG, Lehman Brothers, Morgan Stanley, and

all the rest to bankruptcy or a financial bailout. Here are some sites that offer useful background to the crisis.

Wikipedia: The Free Encyclopedia
en.wikipedia.org/wiki/Subprime_mortgage_crisis

This relatively easy-to-read analysis of what happened does a good job of explaining the growth of subprime mortgages and how they were bought and sold by investment banks. It helped me understand both the background and how it played out throughout the entire U.S. economy and became a global nightmare. There's a good section titled "Indirect Economic Effects" showing how corporations from retail stores to automobile manufacturers went broke and an excellent set of Internet links that take you to more sites to help teachers, and upper secondary students, understand what went wrong.

The Kentucky Post

www.kypost.com/content/wcposhared/story/The-Financial-Crisis-Explained-How-Did-We-Get-Here/lay1-9G8k0S6trPPWKGtdw.csp



I chose this site because it exemplifies a weird and frightening trend in journalism. The well-known *Cincinnati Post* newspaper and its affiliate across the river, the *Kentucky Post*, stopped publishing a little more than a year ago. The *Kentucky Post* is trying to survive as an online newspaper. You don't have to type the longer-than-necessary URL above. Just get to the home page and type "Financial Crisis Explained" in the search box and the well-written story will appear. I like that it goes back to the Great Depression and illustrates how the cur-

rent crisis, while very different, had some important similarities with the events of 1929–1939—especially the greed of not just bankers and brokers, but average people trying to get rich from the housing boom of the 1990s.

Marketplace—Financial Crisis 101

marketplace.publicradio.org/display/web/2008/10/03/cdo/



Marketplace, from American Public Media, is one of my favorite public radio shows. I especially like their Saturday morning hour-long show. One of the neat things about this site is that, while the story can be read in its entirety, you can also listen to this explanation of CDOs (Collateralized Debt Obligations) and their role in the current crisis simply by clicking "Listen to the Show" button. Marketplace frequently uses music and other devices to heighten interest and give a bit of drama to their stories. Again, upper secondary students as well as teachers will find this story entertaining and helpful.

Sites for Lesson Plans and Resources for Teaching Financial Literacy

University of Omaha Center for Economic Education

ecedweb.unomaha.edu/K-12/home.cfm

The University of Omaha has had one of the best sites for K-12 economic education for a long time. This specific page, though a bit plain, has a library of lesson plans keyed to national standards and divided into grade level categories. Sample titles from the K-3 lessons include "Why We Save" (K-2) and "If You Give a Mouse a Cookie" (1-3). The lessons

indicate which economic concepts are addressed and what national standards are being covered. One of the most useful pages on the site is the "Using the Internet to Teach Economics: An Idea Page" (at ecedweb.unomaha.edu/teachsug.htm). From there, you'll find additional great links and ideas.

Scholastic.com

www2.scholastic.com/browse/collection.jsp?id=455



I don't often go to the Scholastic site because I assume that only paid subscribers can access their materials. But that's not the case on this issue. This page features a well-designed, up-to-date "Special Report" on the economy. It includes background and several interesting, fun activities. The site offers a word scramble and search activity using economic terms, articles by student "Scholastic reporters" interviewing their congressman about voting on the economic bailout, and an interesting "Family Fun Finances" article telling students how they can work with their family to better understand financial issues and cut family expenses.

The Mint.org

www.themint.org/teachers/index.html

This U.S. Mint site indicates that it is geared for grade 6-12 teachers and students. However, I think teachers at lower grade levels would find some of the materials, with a little adaptation, useful for their students. The site offers student activities in categories such as earning, spending, saving, owing, and investing. The activities ask students to solve a problem or make an economic choice.

For example, in a lesson on “Scarcity, Choice, and Decisions,” students work on a “prom committee” and have to decide how to spend a limited amount of money. A worksheet helps them understand primary economic decisions such as scarcity, opportunity cost, and choice. While not directly related to the current economic crisis, the Mint’s Hip Pocket Change site for students interested in coins and coin collecting (www.usmint.gov/kids) has some very interesting lessons and activities, many of which are history-related.

Federal Reserve Education

www.federalreserveeducation.org

All the Federal Reserve sites across the United States have education programs that, while similar, frequently have lesson plans and other resources that focus on the relevant geographic region. All information on their sites, including lesson plans, curriculum guides, and booklets are free. Click the tab marked “teacher resources” on the above “pri-

mary” site and you’ll have access to well-designed lesson plans aimed at all grade levels, but focusing primarily on grades 6–12. There are nine interactive online “Lessons about Your Paycheck” for high school students that discuss human capital, wages, taxes, budgeting, credit cards, and more. The “Benjamin Franklin” lesson helps students learn about the role of money in the colonial economy, but brings those same economic issues up to today’s world.

As usual, one of the major reasons I select a site for inclusion in this column is because it leads to other sites that will be useful for teachers, students, and supervisors. Several of the included sites have more links than I’ve provided here.

There is no doubt that financial literacy should be part of the school curriculum in a more organized and systematic way. There is no reason why it shouldn’t be a more integral part of the K-12 social studies curriculum. Certainly effective

citizenship in a democracy requires financial and economic knowledge and practice. We social studies educators should push this a bit more in our local, state, and national programs and organizations.

A final personal note: at the NCSS Annual Meeting in Houston a few months ago, several members of the College and University Faculty Assembly (CUFA) told me that they regularly used my column in their preservice methods classes. Having taught social studies methods off and on for three decades, I felt honored. Thanks for the compliment, folks. 🌐

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