

Roadmap of Federal Reserve Resources for Teaching Economics and Personal Finance

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Many textbooks define economics as the social science that studies how people make choices when faced with scarcity; or how a society decides what to produce, how to produce, and for whom to produce. Economist Alfred Marshall defined economics as the study of mankind in the ordinary business of life.¹ Yet one of the least flattering descriptions was coined by Victorian-era historian Thomas Carlyle, who called economics the “dismal science.”

Regardless of the definition, students’ economic understanding is fundamental to their financial well-being and their ability to build successful financial futures. And as Federal Reserve Chairman Ben Bernanke has said,

Learning about economics helps students understand how the decisions of millions of people about what to produce and consume determine what Adam Smith called “the wealth of nations”—our living standards. In particular, economics helps students understand both the strengths and the shortcomings of our market-based economic system.²

The challenge that teachers face is how to engage students in learning these fundamental skills so they are equipped with the tools they need to make decisions in an increasingly complex and global world. The Federal Reserve, or the Fed, has a plethora of resources to help. The Fed

is involved in educating young people about money, banking, and personal finance, because an informed citizenry contributes to the effective functioning of a democracy. The study of economics serves that goal.³

Active Citizens

Today’s young students, when they grow to be adults, will have to make decisions that will affect their lives and those of others. As consumers, they will need to understand that they can’t have everything they want. They will have to make spending, saving, and investing decisions that affect their own families over the long term.

All citizens also need to understand that they can’t have everything they want. They need to contribute in an informed way to public debates that promote prudent and sustainable policies. For example, elected representatives can simultaneously cut taxes and increase spending on public goods and programs ... for a while. Such policies, however, may

not be sustainable over the long run.

Citizens must grapple with understanding the economic policy decisions of Congress, the president, and the Federal Reserve, and how these policies affect the lives of consumers, producers, and investors—and the health of the economy itself.

An Abundance of Resources

Each of the 12 Federal Reserve Banks and the Board of Governors offers its own resources and economic education programs for teachers. Some of the Banks offer programs for students, and many of the Banks have exhibits or museums to provide opportunities for school groups to visit.

To find out if the Federal Reserve Bank nearest you has an exhibit or museum for high school students, visit its website (see map).

Federal Reserve Banks have also developed curricular materials to help educators address the social studies curriculum standards published by NCSS,⁴ as well as benchmarks and standards published by the Council for Economic Education.⁵ Many materials may be found on the Fed’s education portal, www.federalreserveeducation.org.

The resources that the Fed provides help teachers enable students to under-

stand their economic world. The Banks continually add to their education resources, so check websites often. Best of all, Federal Reserve education programs, online resources, and most print materials are free.

FederalReserveEducation.org

This comprehensive website offers an easy way for educators to access all of the Federal Reserve’s educational resources in one easy location—and then find the closest Reserve Bank for programming, assistance, tours and local contacts.

www.federalreserveeducation.org

5E Educator

This electronic newsletter provides K-12 teachers with lesson plans, economic content, and the latest information on the Federal Reserve System’s free resources.

www.richmondfed.org/publications/education/5e_educator/
Economics content standards vary with each issue

Benjamin Franklin and the Birth of a Paper Money Economy

The simulations in this lesson plan introduce your students to the role of money, its characteristics and functions, how land banks functioned, and how inflation results from too much money in circulation. www.philadelphiafed.org/education/teachers/lesson-plans/benjamin-franklin.pdf

Economics standards 11, 19

Building Wealth

This resource offers an overview of personal wealth-building strategies that includes setting financial goals, budgeting, saving and investing, and managing debt. The lessons use a variety of instructional techniques and include student activities, handouts and presentation visuals.

www.dallasfed.org/educate/pubs/wealth.cfm

Economics content standards vary with each lesson.

Central Bank History

Students will find a timeline of the history of central banking in the United States, and links to history resources and research on the topic.

www.minneapolisfed.org/community_education/student/centralbankhistory/

Economics standards 10, 11, 20

Econ Ed Live!

Students will learn economics and finance using new and redesigned online courses. Examples include *GDP and Pizza*, *The Great Depression and Time Value of Money*

www.stlouisfed.org/education_resources/

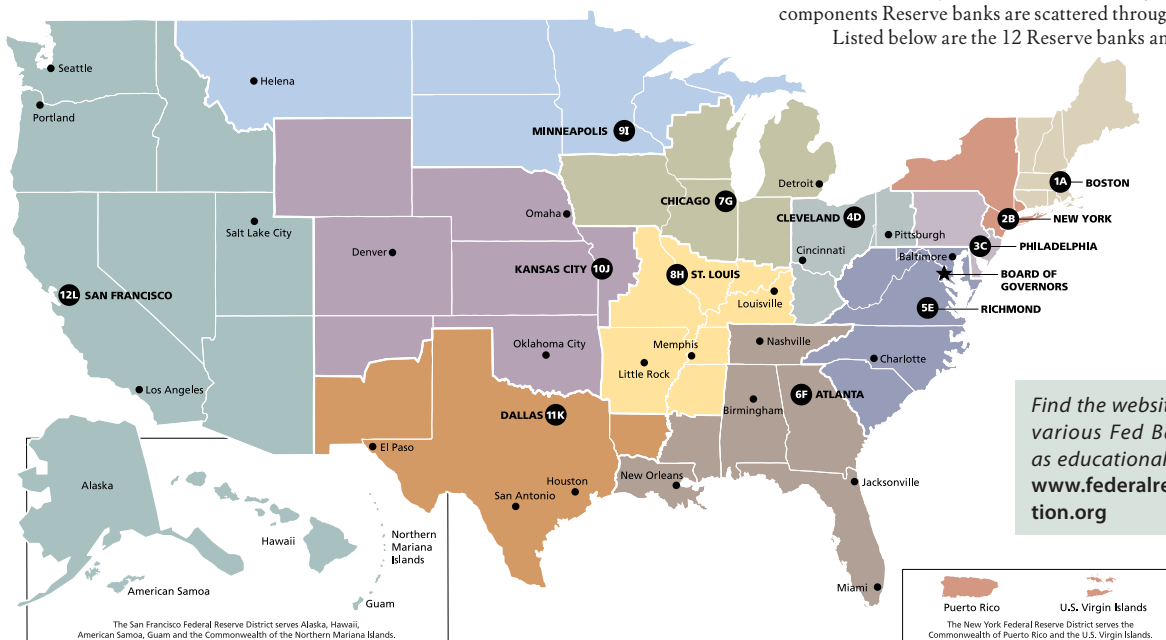
Economics content standards vary with each lesson

Economic articles and class supplements

This resource includes Federal Reserve articles and standards-based discussion guides on topics such as the role of economic institutions, unemployment and inflation, and the role of

Federal Reserve Banks and Branches

The Federal Reserve System’s centralized component, the Board of Governors, is located in Washington, D.C. (see star on map). Its decentralized components Reserve banks are scattered throughout the country. Listed below are the 12 Reserve banks and their branches.



Find the website URLs of the various Fed Banks, as well as educational resources, at www.federalreserveeducation.org

government in the economy. www.minneapolisfed.org/community_education/teacher/supplements/index.cfm

Economics content standards vary by article

Explore the Economy: Crisis and Response Website

The website offers you and your students information and analysis on what caused the recent financial crisis, what the Fed has done in response, and what the road ahead might look like.

www.frbsf.org/econanswers/portal.htm

Economics standards 15, 18, 29, 20

Extra Credit

This online newsletter provides teachers with lesson plans and articles on current economic and personal finance topics as well as best practices from master teachers.

www.frbatlanta.org/pubs/extracredit/

Economics content standards vary with each issue

Fed in the Classroom

These free monthly videoconference programs for your classroom offer topical sessions customized to fit your class schedule. With lively Q&A and topics ranging from the role of the Fed to monetary policy in the news and careers in economics, each learning experience is customized to support your curriculum objectives and expand student understanding of the role of the U.S. central bank.

www.clevelandfed.org/Learning_Center/For_Teachers/video-conference/fed_in_the_classroom/

Economics content standards vary with each session

Financial Literacy in Action

These six project-based activities use websites to introduce students to investing, credit, banking, spending plans, insurance, and taxes. Teaching plans accompany each unit. Students will develop PowerPoint presentations, write magazine articles, and create videos to share their newly acquired understanding of each topic.

www.newyorkfed.org/education/finlitaction.html

Economics standards 10, 11, 12, 16, 17

Forefront in the Classroom

These discussion questions for students accompany a new policy magazine from the Cleveland Fed, *Forefront*. Recent topics have covered consumer financial education, the housing crisis, small business access to credit, and mortgage counseling.

www.clevelandfed.org/Learning_Center/For_Teachers/discussion_questions/forefront/index.cfm

Economics content standards vary with each issue

Globalization

Students will learn about the increasing integration of the world's economies through the flow of goods, money and people

across national borders. The resource includes a discussion of foreign currency exchange and a timeline of innovations that advanced globalization.

www.dallasfed.org/educate/index.html

Economics standards 5, 6

Katrina's Classroom: Financial Lessons from a Hurricane

This personal finance curriculum uses lesson plans and activities to teach students about banking, savings, wise use of credit, and budgeting. The video segments feature the stories of three teenagers affected by Katrina.

www.frbatlanta.org/forms/katrina.cfm

Economics standards 1, 2, 3, 4, 10, 11

Marginal Thoughts

This blog is both a resource and a sounding board for economic educators. You can read entries, respond, and then consider having your students check it out too.

<http://marginalthoughts.chicagofedblogs.org/>

Economics standards vary with each blog

Podcasts

High school students will learn economic concepts with the help of this podcast series: *The Economic Lowdown*. The series of clear, concise explanations and real-world examples will help students understand economics and finance.

www.stlouisfed.org/education_resources/

Economics standards vary with each podcast

Show Business: The Economics of Entertainment

This online learning activity introduces students to economic concepts as well as economic history through the entertainment industry.

www.bosfed.org/entertainment/index.htm

Economics standards 1, 4, 5, 6, 7, 8, 9, 14, 15

The Case of the Gigantic \$100,000 Bill

This engaging lesson introduces students to the money creation process. They will cut the required reserves from a gigantic bill and make calculations using the simple money multiplier. www.philadelphiafed.org/education/teachers/lesson-plans/gigantic-100K-bill.pdf

Economics standard 20

Recession Lesson: Savings Habits

Students will learn about savings habits that resulted from the most recent recession and its aftermath. The lesson includes visual data that demonstrate trends in the savings rates of several countries. Two student activities reinforce the concepts.

www.kansascityfed.org/education/foreducators/hs-classroom-resources.cfm

Economics standard 18

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— Booklist

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Conclusion

Precollege classrooms are of paramount importance in promoting students' education in economics and personal finance. Not all students will go to college, and not all college students will take economics. With primary and secondary economic education, however, students will be ready to make personal and civic economic decisions from an informed viewpoint. The Fed stands ready through its economists and economic educators to provide resources such as content programs, publications, and curriculum materials for teachers to use to help students develop economic literacy. 📖

Notes

1. See Alfred Marshall ([1890] 1910), *Principles of Economics*, 6th ed. (London: Macmillan), 1.
2. Chairman Ben S. Bernanke, *Welcoming Remarks*, At the Federal Reserve System Town Hall Meeting with Educators; Washington, D.C.; September 30, 2010.
3. Bonnie T. Meszaros and Mary C. Suiter, “You Can’t Always Get What You Want?” *The Region* (December 1998): 39-43.
4. National Council for the Social Studies, *National Curriculum Standards for Social Studies: A Framework for Teaching, Learning, and Assessment* (Washington, D.C.: NCSS, 2010).
5. National Council on Economic Education, *Voluntary National Content Standards in Economics* (New York: NCEE, 1997). NCEE has become the Council for Economic Education (CEE).

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The views expressed in this article are those of the authors and do not necessarily reflect the views of the Federal Reserve System.

**NCSS Annual Conference
Washington D.C.
Dec. 2-4, 2011**



www.socialstudies.org/conference

Social Studies Teachers: You Spoke, We Listened

In spring 2010 a nationally representative, random sample of 866 public high school social studies teachers and an oversample of 245 social studies teachers from private high schools* were asked what content, skills, or knowledge are most important. The teachers ranked the Bill of Rights at the top, saying it was absolutely essential for high schools to teach students “to identify the protections guaranteed by the Bill of Rights.”

In addition, virtually all of the teachers (ninety-four percent) said they used controversies in current events as teaching opportunities to get students engaged and to model civil debate and discussion. Eighty-six percent said they also brought current events into class lessons.

And then we created a web site for you:

The screenshot shows the Annenberg Classroom website. At the top, it says "The Leonore Annenberg Institute for Civics presents" followed by the "Annenberg Classroom" logo and the tagline "Resources for Excellent Civics Education". A search bar is located in the top right corner. Below the header is a large image of three students looking at a laptop. To the right of the image, it says "March 2011" and "Daily civics news and discussion, award-winning media on the Bill of Rights, the Constitution and its other amendments, and the institutions of American democracy." Below this is a "See more" button and a navigation bar with numbers 1, 2, 3, and 4. The main content area is divided into three columns: "NEWS", "KNOWLEDGE", and "SPEAK OUT!". The "NEWS" column lists recent news items with dates and titles. The "KNOWLEDGE" column features four sub-sections: "The Constitution", "The Congress", "The Presidency", and "The Courts", each with a representative image. The "SPEAK OUT!" column has a discussion prompt: "When does airport security become a violation of privacy?" and a "Join the Discussion" button. At the bottom of the page, there are social media icons for Facebook, RSS, Twitter, and YouTube, along with the text "blip.tv".

www.AnnenbergClassroom.org

*Schmitt, G. J., Hess, F. H., Farkas, S., Duffet, A. M., Miller, C., & Schutte, J. M. (September 2010). High Schools, Civics, and Citizenship: What Social Studies Teachers Think and Do. *American Enterprise Institute for Public Policy Research (AEI)*, <http://www.aei.org/paper/100145>.