

106TH CONGRESS  
1ST SESSION

# S. 1487

To provide for excellence in economic education, and for other purposes.

---

IN THE SENATE OF THE UNITED STATES

AUGUST 4, 1999

Mr. AKAKA (for himself, Mr. COCHRAN, Mrs. MURRAY, Mr. INOUE, and Mr. KERREY) introduced the following bill; which was read twice and referred to the Committee on Health, Education, Labor, and Pensions

---

## A BILL

To provide for excellence in economic education, and for other purposes.

1       *Be it enacted by the Senate and House of Representa-*  
2       *tives of the United States of America in Congress assembled,*

3       **SECTION 1. EXCELLENCE IN ECONOMIC EDUCATION.**

4       (a) AMENDMENT.—Title X of the Elementary and  
5       Secondary Education Act of 1965 (20 U.S.C. 8001 et  
6       seq.) is amended by adding at the end the following:

1           **“PART L—EXCELLENCE IN ECONOMIC**  
 2                                   **EDUCATION**

3   **“SEC. 10995. SHORT TITLE; FINDINGS.**

4           “(a) SHORT TITLE.—This part may be cited as the  
 5   “Excellence in Economic Education Act of 1999”.

6           “(b) FINDINGS.—Congress makes the following find-  
 7   ings:

8                   “(1) The need for economic literacy in the  
 9   United States has grown exponentially in the 1990’s  
 10   as a result of rapid technological advancements and  
 11   increasing globalization, giving individuals in the  
 12   United States more numerous and complex economic  
 13   and financial choices than ever before as members of  
 14   the workforce, managers of their families’ resources,  
 15   and voting citizens.

16                   “(2) Individuals in the United States lack es-  
 17   sential economic knowledge, as demonstrated in a  
 18   1998–1999 test conducted by the National Council  
 19   on Economic Education, a private nonprofit organi-  
 20   zation. The test results indicated the following:

21                           “(A) Students and adults alike lack a basic  
 22                   understanding of core economic concepts such  
 23                   as scarcity of resources and inflation, with less  
 24                   than half of those tested demonstrating knowl-  
 25                   edge of those basic concepts.

1           “(B) A little more than  $\frac{1}{3}$  of those tested  
2 realize that society must make choices about  
3 how to use resources.

4           “(C) Only  $\frac{1}{3}$  of those tested understand  
5 that active competition in the marketplace  
6 serves to lower prices and improve product  
7 quality.

8           “(D) Slightly more than  $\frac{1}{2}$  of adults in  
9 the United States and less than  $\frac{1}{4}$  of students  
10 in the United States know that a Federal budg-  
11 et deficit is created when the Federal Govern-  
12 ment’s expenditures exceed its revenues in a  
13 year.

14           “(E) Overall, adults received a grade of 57  
15 percent on the test and secondary school stu-  
16 dents received a grade of 48 percent on the  
17 test.

18           “(F) Despite those poor results, the test  
19 pointed out that individuals in the United  
20 States realize the need for understanding basic  
21 economic concepts, with 96 percent of adults  
22 tested believing that basic economics should be  
23 taught in secondary school.

24           “(3) A range of trends points to the need for  
25 individuals in the United States to receive a prac-

1 tical economics education that will give the individ-  
2 uals tools to make responsible choices about their  
3 limited financial resources, choices which face all  
4 people regardless of their financial circumstances.  
5 Examples of the trends are the following:

6 “(A) The number of personal bankruptcies  
7 in the United States continued to rise and set  
8 new records in the 1990’s, despite the longest  
9 peacetime economic expansion in United States  
10 history. One in every 70 United States house-  
11 holds filed for bankruptcy in 1998. Rising  
12 bankruptcies have an impact on the cost and  
13 availability of consumer credit which in turn  
14 negatively affect overall economic growth.

15 “(B) Credit card delinquencies in the  
16 United States rose to 1.83 percent in 1998,  
17 which is a percentage not seen since 1992 when  
18 the effects of a recession were still strong.

19 “(C) The personal savings rate in the  
20 United States over the 5 years ending in 1998  
21 averaged only 4.5 percent. In the first quarter  
22 of 1999, the personal savings rate dropped to  
23 negative 0.4 percent. A decline in savings rates  
24 reduces potential investment and economic  
25 growth.

1           “(D) By 2030, the number of older per-  
2           sons in the United States will grow to  
3           70,000,000, more than twice the number of  
4           older persons in the United States in 1997. The  
5           additional older persons will add significantly to  
6           the population of retirees in the United States  
7           and require a shift in private and public re-  
8           sources to attend to their specific needs. The  
9           needs will have dramatic, long-term economic  
10          consequences for younger generations of indi-  
11          viduals in the United States workforce who will  
12          need to plan well in order to support their fami-  
13          lies and ensure themselves a secure retirement.

14          “(4) The third National Education Goal puts  
15          economics forth as 1 of 9 core content areas in  
16          which teaching, learning, and students’ mastery of  
17          basic and advanced skills must improve.

18          “(5) The National Council on Economic Edu-  
19          cation presents a compelling case for doing more to  
20          meet the need for economic literacy. While an under-  
21          standing of economics is necessary to help the next  
22          generation to think, choose, and function in a chang-  
23          ing global economy, economics has too often been  
24          neglected in schools.

1           “(6) States’ requirements for economic and per-  
2           sonal finance education are insufficient as evidenced  
3           by the fact that, while 39 States have adopted edu-  
4           cational standards (including guidelines or proficien-  
5           cies) in economics—

6                   “(A) only 13 of those States require all  
7                   students to take a course in economics before  
8                   graduating from secondary school;

9                   “(B) only 25 States administer tests to de-  
10                  termine whether students meet the standards;  
11                  and

12                  “(C) only 27 States require that the stand-  
13                  ards be implemented in schools.

14           “(7) Improved and enhanced national, State,  
15           and local economic education efforts, conducted as  
16           part of the Campaign for Economic Literacy led by  
17           the National Council on Economic Education, will  
18           help individuals become informed consumers, con-  
19           scientious savers, prudent investors, productive  
20           workforce members, responsible citizens, and effec-  
21           tive participants in the global economy.

22           “(8)(A) Founded in 1949, the National Council  
23           on Economic Education is the preeminent economic  
24           education organization in the United States, having

1 a nationwide network that supports economic edu-  
2 cation in the Nation’s schools.

3 “(B) This network supports teacher prepared-  
4 ness in economics through—

5 “(i) inservice teacher education;

6 “(ii) classroom-tested materials and appro-  
7 priate curricula;

8 “(iii) evaluation, assessment, and research  
9 on economics education; and

10 “(iv) suggested content standards for eco-  
11 nomics.

12 “(9) The National Council on Economic Edu-  
13 cation network includes affiliated State Councils on  
14 Economic Education and more than 275 university  
15 or college-based Centers for Economic Education.  
16 This network represents a unique partnership among  
17 leaders in education, business, economics, and labor,  
18 the purpose of which is to effectively deliver eco-  
19 nomic education throughout the United States.

20 “(10) Each year the National Council on Eco-  
21 nomic Education network trains 120,000 teachers,  
22 reaching more than 7,000,000 students. By  
23 strengthening the Council’s nationwide network, the  
24 Council can reach more of the Nation’s 50,000,000  
25 students.

1           “(11) The National Council on Economic Edu-  
2           cation conducts an international economic education  
3           program that provides information on market prin-  
4           ciples to the world (particularly emerging democ-  
5           racies) through teacher training, materials trans-  
6           lation and development, study tours, conferences,  
7           and research and evaluation. As a result of those ac-  
8           tivities, the National Council on Economic Edu-  
9           cation is helping to support educational reform and  
10          build economic education infrastructures in emerg-  
11          ing market economies, and reinforcing the national  
12          interest of the United States.

13           “(12) Evaluation results of economics education  
14          activities support the following conclusions:

15                   “(A) Inservice education in economics for  
16                   teachers contributes significantly to students’  
17                   gains in economic knowledge.

18                   “(B) Secondary school students who have  
19                   taken economics courses perform significantly  
20                   better on tests of economic literacy than do  
21                   their counterparts who have not taken econom-  
22                   ics.

23                   “(C) Economics courses contribute signifi-  
24                   cantly more to gains in economic knowledge



1           than does integration of economics into other  
2           subjects.

3           “(13) Through partnerships, the National  
4           Council on Economic Education network leverages  
5           support for its mission by raising \$35,000,000 from  
6           the private sector, universities, and States.

7   **“SEC. 10996. EXCELLENCE IN ECONOMIC EDUCATION.**

8           “(a) PURPOSE.—The purpose of this part is to pro-  
9           mote economic literacy among all United States students  
10          in kindergarten through grade 12 by enhancing national  
11          leadership in economic education through the strength-  
12          ening of a nationwide economic education network and the  
13          provision of resources to appropriate State and local enti-  
14          ties.

15          “(b) GOALS.—The goals of this part are—

16                  “(1) to increase students’ knowledge of and  
17                  achievement in economics to enable the students to  
18                  become more productive and informed citizens;

19                  “(2) to strengthen teachers’ understanding of  
20                  and competency in economics to enable the teachers  
21                  to increase student mastery of economic principles  
22                  and their practical application;

23                  “(3) to encourage economic education research  
24                  and development, to disseminate effective instruc-  
25                  tional materials, and to promote replication of best

1 practices and exemplary programs that foster eco-  
2 nomic literacy;

3 “(4) to assist States in measuring the impact of  
4 education in economics, which is 1 of 9 national core  
5 content areas described in section 306(e) of the  
6 Goals 2000: Educate America Act (20 U.S.C.  
7 5886(e));

8 “(5) to extend strong economic education deliv-  
9 ery systems to every State; and

10 “(6) to leverage and expand private and public  
11 support for economic education partnerships at na-  
12 tional, State, and local levels.

13 **“SEC. 10997. GRANT PROGRAM AUTHORIZED.**

14 “(a) GRANTS TO THE NATIONAL COUNCIL ON ECO-  
15 NOMIC EDUCATION.—

16 “(1) IN GENERAL.—The Secretary is authorized  
17 to award a grant to the National Council on Eco-  
18 nomic Education (referred to in this section as the  
19 ‘grantee’), which is a nonprofit educational organiza-  
20 tion that has as its primary purpose the improve-  
21 ment of the quality of student understanding of eco-  
22 nomics through effective teaching of economics in  
23 the Nation’s classrooms.

24 “(2) USE OF GRANT FUNDS.—

1           “(A) ONE-QUARTER.—The grantee shall  
2 use  $\frac{1}{4}$  of the funds made available through the  
3 grant and not reserved under subsection (f) for  
4 a fiscal year—

5           “(i) to strengthen and expand the  
6 grantee’s nationwide network on economic  
7 education;

8           “(ii) to support and promote training,  
9 of teachers who teach a grade from kinder-  
10 garten through grade 12, regarding eco-  
11 nomics, including the dissemination of in-  
12 formation on effective practices and re-  
13 search findings regarding the teaching of  
14 economics;

15           “(iii) to support research on effective  
16 teaching practices and the development of  
17 assessment instruments to document stu-  
18 dent performance;

19           “(iv) to develop and disseminate ap-  
20 propriate materials to foster economic lit-  
21 eracy; and

22           “(v) to coordinate activities assisted  
23 under this section with activities assisted  
24 under title II.

1           “(B) THREE-QUARTERS.—The grantee  
2 shall use  $\frac{3}{4}$  of the funds made available  
3 through the grant and not reserved under sub-  
4 section (f) for a fiscal year to award grants to  
5 State economic education councils, or in the  
6 case of a State that does not have a State eco-  
7 nomic education council, a center for economic  
8 education (which council or center shall be re-  
9 ferred to in this section as a ‘recipient’). The  
10 grantee shall award such a grant to pay for the  
11 Federal share of the cost of enabling the recipi-  
12 ent to work in partnership with 1 or more of  
13 the entities described in paragraph (3) for 1 or  
14 more of the following purposes:

15           “(i) Collaboratively establishing and  
16 conducting teacher training programs that  
17 use effective and innovative approaches to  
18 the teaching of economics.

19           “(ii) Providing resources to school dis-  
20 tricts that want to incorporate economics  
21 into the curricula of the schools in the dis-  
22 tricts.

23           “(iii) Conducting evaluations of the  
24 impact of economic education on students.

1           “(iv) Conducting economic education  
2 research.

3           “(v) Creating and conducting school-  
4 based student activities to promote con-  
5 sumer, economic, and personal finance  
6 education, such as saving, investing, and  
7 entrepreneurial education, and to encour-  
8 age awareness and student achievement in  
9 economics.

10           “(vi) Establishing interstate and  
11 international student and teacher ex-  
12 changes to promote economic literacy.

13           “(vii) Encouraging replication of best  
14 practices to encourage economic literacy.

15           “(C) ADDITIONAL REQUIREMENTS AND  
16 TECHNICAL ASSISTANCE.—The grantee shall—

17           “(i) meet such other requirements as  
18 the Secretary determines to be necessary  
19 to assure compliance with this section; and

20           “(ii) provide such technical assistance  
21 as may be necessary to carry out this sec-  
22 tion.

23           “(3) PARTNERSHIP ENTITIES.—The entities re-  
24 ferred to in paragraph (2)(B) are the following:

25           “(A) A private sector entity.

1 “(B) A State educational agency.

2 “(C) A local educational agency.

3 “(D) An institution of higher education.

4 “(E) Another organization promoting eco-  
5 nomic development.

6 “(F) Another organization promoting edu-  
7 cational excellence.

8 “(4) ADMINISTRATIVE COSTS.—The grantee  
9 and each recipient receiving a grant under this sec-  
10 tion for a fiscal year may use not more than 25 per-  
11 cent of the funds made available through the grant  
12 for administrative costs.

13 “(b) TEACHER TRAINING PROGRAMS.—

14 “(1) IN GENERAL.—In carrying out the teacher  
15 training programs described in subsection (a)(2)(B)  
16 a recipient shall—

17 “(A) train teachers who teach a grade  
18 from kindergarten through grade 12;

19 “(B) conduct programs taught by qualified  
20 teacher trainers who can tap the expertise,  
21 knowledge, and experience of classroom teach-  
22 ers, private sector leaders, and other members  
23 of the community involved, for the training; and

24 “(C) encourage teachers from disciplines  
25 other than economics to participate in such

1 teacher training programs, if the training will  
2 promote the economic understanding of their  
3 students.

4 “(2) RELEASE TIME.—Funds made available  
5 under this section for the teacher training programs  
6 described in subparagraphs (A) and (B) of sub-  
7 section (a)(2) may be used to pay for release time  
8 for teachers and teacher trainers who participate in  
9 the training.

10 “(c) INVOLVEMENT OF BUSINESS COMMUNITY.—In  
11 carrying out the activities assisted under this part the  
12 grantee and recipients are encouraged to—

13 “(1) include interactions with the local business  
14 community to the fullest extent possible, to reinforce  
15 the connection between economic education and eco-  
16 nomic development; and

17 “(2) work with private businesses to obtain  
18 matching contributions for Federal funds and assist  
19 recipients in working toward self-sufficiency.

20 “(d) FEDERAL SHARE.—

21 “(1) IN GENERAL.—The Federal share of the  
22 cost described in subsection (a)(2)(B) shall be 50  
23 percent. The Federal share of the cost of estab-  
24 lishing a State council on economic education or a

1 center for economic education under subsection (f),  
2 for 1 fiscal year only, shall be 75 percent.

3 “(2) NON-FEDERAL SHARE.—The non-Federal  
4 share may be paid in cash or in kind, fairly evalu-  
5 ated, including plant, equipment, or services.

6 “(e) APPLICATIONS.—

7 “(1) GRANTEE.—To be eligible to receive a  
8 grant under this section, the grantee shall submit to  
9 the Secretary an application at such time, in such  
10 manner, and accompanied by such information as  
11 the Secretary may require.

12 “(2) RECIPIENTS.—

13 “(A) IN GENERAL.—To be eligible to re-  
14 ceive a grant under this section, a recipient  
15 shall submit an application to the grantee at  
16 such time, in such manner, and accompanied by  
17 such information as the grantee may require.

18 “(B) REVIEW.—The grantee shall invite  
19 the individuals described in subparagraph (C)  
20 to review all applications from recipients for a  
21 grant under this section and to make rec-  
22 ommendations to the grantee regarding the  
23 funding of the applications.

24 “(C) INDIVIDUALS.—The individuals re-  
25 ferred to in subparagraph (B) are the following:



1                   “(i) Leaders in the fields of economics  
2                   and education.

3                   “(ii) Such other individuals as the  
4                   grantee determines to be necessary.

5           “(f) SPECIAL RULE.—For each State that does not  
6 have a recipient in the State, as determined by the grant-  
7 ee, not less than the greater of 1.5 percent or \$100,000  
8 of the total amount appropriated under subsection (i), for  
9 1 fiscal year, shall be made available to the State to pay  
10 for the Federal share of the cost of establishing a State  
11 council on economic education or a center for economic  
12 education in partnership with a private sector entity, an  
13 institution of higher education, the State educational  
14 agency, and other organizations.

15           “(g) SUPPLEMENT AND NOT SUPPLANT.—Funds ap-  
16 propriated under this section shall be used to supplement  
17 and not supplant other Federal, State, and local funds ex-  
18 pended for the purpose described in section 10996(a).

19           “(h) REPORT.—The Secretary shall prepare and sub-  
20 mit to the appropriate committees of Congress a report  
21 regarding activities assisted under this section not later  
22 than 2 years after the date funds are first appropriated  
23 under subsection (i) and every 2 years thereafter.

24           “(i) AUTHORIZATION OF APPROPRIATIONS.—There  
25 are authorized to be appropriated to carry out this part

1 \$10,000,000 for fiscal year 2000, and such sums as may  
2 be necessary for each of the 4 succeeding fiscal years.”.

3 (b) RELATED AMENDMENTS.—The Elementary and  
4 Secondary Education Act of 1965 (20 U.S.C. 6301 et  
5 seq.) is amended—

6 (1) in section 2103(a)(2)(I) (20 U.S.C.  
7 6623(a)(2)(I)), by inserting “economics,” after  
8 “civics and government,”;

9 (2) in section 3206(b)(4) (20 U.S.C.  
10 6896(b)(4)), by inserting “economics,” after “his-  
11 tory,”;

12 (3) in section 5108(b) (20 U.S.C. 7208(b)), by  
13 inserting “economics,” after “history,”;

14 (4) in section 10101(b)(1)(A)(iii) (20 U.S.C.  
15 8001(b)(1)(A)(iii)), by striking “and social studies”  
16 and inserting “social studies, and economics,”;

17 (5) in section 10963(b)(4) (20 U.S.C.  
18 8283(b)(4))—

19 (A) in subparagraph (E), by striking  
20 “and” after the semicolon;

21 (B) in subparagraph (F), by inserting  
22 “and” after the semicolon; and

23 (C) by adding at the end the following:

1           “(G) economic education and other pro-  
2           grams designed to enhance economic literacy  
3           and personal financial responsibility;” and  
4           (6) in section 10974(a)(8)(H) (20 U.S.C.  
5           8294(a)(8)(H)), by striking “local rural entrepre-  
6           neurship” and inserting “promoting economic lit-  
7           eracy, local rural entrepreneurship,”.

○