

National Council on Economic Education

What American Teens & Adults Know About Economics

Prepared for:

The National Council on Economic Education

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Background And Objectives

In 1999, Harris Interactive (then known as Louis Harris & Associates, Inc.) conducted *The Standards in Economics Survey* on behalf of the National Council on Economic Education (NCEE). The survey was designed to evaluate adult and student understanding of basic economics as outlined in the Voluntary National Content Standards in Economics, developed and published by NCEE in 1997. The survey examined adult and student familiarity with basic economic principles, knowledge about the U.S. economy, and understanding of some key economic terms. In addition, the survey assessed interest in economics and the perceived importance of understanding basic concepts in economics. The adult survey was conducted by telephone and the student survey was conducted by a self-administered paper questionnaire in the classroom.

In 2005, the NCEE asked Harris Interactive to conduct a follow-up study to examine adults' and students' current understanding of economics and how this has changed over the intervening years. The current survey also includes an additional set of questions focused on concepts of personal finance. Both the adult and student surveys were conducted using the same, self-administered online methodology.



Methodology

- This study was conducted online by Harris Interactive for the National Council on Economic Education (NCEE) from January 12 – February 10, 2005.
- Sample was drawn from the Harris Interactive online panel of double opted-in respondents. Password-protected email invitations were sent to prospective respondents.
- 3,512 U.S. adults aged 18+ and 2,242 U.S. students in grades 9-12 completed the survey.
- On average individuals completed the survey in 14 minutes.
- Data were weighted to represent the total U.S. population of adults aged 18 and over, and the total U.S. population of 9th – 12th grade students. Adult data were weighted on the basis of age, gender, education, race/ethnicity, region and income. Student data were weighted on the basis of grade level, gender, race/ethnicity, region, urbanicity and parent education. Data for both adults and students were also propensity weighted to adjust for respondents' propensity to be online.
- Though online samples are not probability samples, in theory, with probability samples of this size, one could say with 95% certainty that the results for the adult sample have a sampling error of plus or minus 2 percentage points, and sampling error for the student sample is plus or minus 3 percentage points.

Comparisons between 2005 and 1999 surveys:

The 2005 and 1999 quizzes differed slightly in content. The 1999 quiz contained 20 questions. Fourteen of those questions were used in the 2005 survey and form the "core" questions. The 2005 survey contains an additional 10 new questions. Comparisons between 2005 and 1999 results compare scores on the 14 "core" questions only. In addition, this report contains trended data only for students' results. The adult surveys in 2005 and 1999 differed in the mode of the quiz presentation (online-visual vs. telephone-aural) and thus were not directly comparable.



Executive Summary

The National Council on Economic Education (NCEE) was founded more than 55 years ago to address the gap between what young people needed to know about economics and what they were being taught in school. The results of this year's survey of students indicate that while progress has been made over the years, this gap still exists. A majority of high school students do not understand basic concepts in economics. This lack of knowledge has implications for young people's ability to manage their personal finances and to function well in today's global economy. However as indicated above, the survey does contain good news as well. Students' knowledge of economics has increased since 1999. In addition, the survey reveals that students – and adults – value an understanding of economics for all Americans. They also strongly endorse the importance of teaching economics in school, thus providing support for NCEE's primary mission.

More than nine in ten adults and students believe that it is important for the people of the United States to have a good understanding of economics. Virtually all adults believe that economics should be included in high school education. However, only half of high school students say they have ever been taught economics in school. Much of this instruction, when it does occur, appears to happen in 12th grade.



Executive Summary (Continued)

Economics is a subject of interest to a majority of adults. In contrast, only half of students say they are interested in economics. However, those who have taken an economics course are more interested in this subject than other students.

Despite this interest in and value of economics, most adults and students have not mastered basic economic concepts. Adults and students were given a 24 question quiz in economics and personal finance. The quiz covered the 20 economic content standards developed by NCEE, plus additional concepts related to personal finance. Based on this quiz, adults get a grade of 70 (C) for their knowledge of economics, and students' average score is 53 (F). Six in ten high school students and more than one-quarter of adults get a failing grade on the Economics Quiz. One-third of adults show a good understanding of the content specified in the standards and get an "A" or "B". One in eleven high school students does this well.

The content standards covered by the quiz reflect the essential principles of economics. The standards encompass concepts such as scarcity, allocation of goods and services, role of competition, role of money, and specialization and trade. In a global economy, understanding trade has particular resonance. On the quiz, adults and students were asked about the effects of limiting trade and the impact of the exchange rate on the purchase of goods and services.



Executive Summary (Continued)

Nine in ten adults and three-quarters of students correctly answered the question about the effect of limiting trade between countries. They performed less well on the question about the impact of the exchange rate on the purchase of goods and services. Two-thirds of adults and half of students answered this question correctly.

An area where both adults and students show room for improvement is their understanding of personal finance. Most adults and students underestimate the impact of a college degree on earnings. Only two in ten know that adults who are college graduates earn about 70% more per year on average than adults who are high school graduates only. Half of adults and even fewer students do not know that keeping savings as cash at home has the greatest risk of losing value due to inflation.

The quiz revealed some important gaps and room for improvement in American adults' and students' knowledge of economics. A gender gap and a minority gap exist. Fewer women than men show a good understanding of economics, and the same pattern is seen among students. Black and Hispanic adults and students are less likely than their White counterparts to get an "A" or "B" on the quiz. Education also plays an important role. Students who have been taught economics in high



Executive Summary (Continued)

school are more likely than others to get at least a passing grade on the quiz. Adults who have only a high school education are less likely than those with a college degree to have a good understanding of economics. Since knowledge of economic principles is important to all Americans, regardless of their education level, and since not all adults go to college, it is particularly important that economics be taught at the high school level or earlier.





Major Findings

- As in 1999, virtually all adults (97%) and high school students (93%) believe it is important for Americans to have a good understanding of economics.
- Virtually all adults (97%) believe that economics should be included in high school education.
- However, only 50% of high school students say they have ever been taught economics in school (either in a separate course or as part of another subject). Much of this instruction, when it does occur, appears to happen in 12th grade. Three-quarters of 12th graders say they have been taught economics, compared to only 42% of those in grades 9 – 11.
- Three-quarters (77%) of adults are interested in economics. Half of students (51%) are interested in economics.
 - Students who have been taught economics in school are more interested in economics (61% vs. 40%).
- On average, adults get a grade of 70 (C) for their knowledge of economics and personal finance, based on a 24 question quiz. Students' average score is 53 (F).



Major Findings (Continued)

- Overall, adults are more likely than students to correctly answer questions on a range of concepts. The only questions which show little or no difference between adults' and students' performance are: source of personal income, relationship between price and quantity demanded, and the impact of a college degree on earnings.
- Adults and students show the greatest knowledge in the area of "Economics and the Consumer". The following summary shows the percentage of questions in each area correctly answered by at least 75% of adults or students:

Number of Quiz Questions Answered Correctly By At Least 75% of Respondents

	<u>Adults</u>	<u>Students</u>
Economics & the Consumer (5 questions)	4 out of 5	3 out of 5
Factors Pertaining to Production (5 questions)	3 out of 5	2 out of 5
Money, Interest Rates and Inflation (4 questions)	1 out of 4	0 out of 4
Government and Trade in Economics (6 questions)	1 out of 6	0 out of 6
Personal Finance (4 questions)	1 out of 4	0 out of 4



Major Findings (Continued)

Who has a good understanding of economics?

- 34% of adults and 9% of high school students get an “A” or “B” on the Economics Quiz.
- Males are more likely than females to get an “A” or “B” (adults: 51% vs. 17%; students: 12% vs. 6%)
- Economic understanding increases with age. Ninth – tenth graders are least likely to get an “A” or “B”, while adults 50 years and older are most likely to get an “A” or “B”:
 - 8% of 9th – 10th graders get an “A” or “B”
 - 10% of 11th – 12th graders get an “A” or “B”
 - 25% of 18 – 34 year olds get an “A” or “B”
 - 34% of 35 – 49 year olds get an “A” or “B”
 - 38% of 50 – 64 year olds get an “A” or “B”
 - 42% of 65+ year olds get an “A” or “B”
- College graduates are 4 times more likely than those with only a high school education to get an “A” or “B” on the quiz (61% vs. 15%). Twelfth graders are just as likely as adults with only a high school education to get an “A” or “B” on the quiz (14% vs. 15%)
- Students who are interested in economics are more likely to get an “A” or “B” (11% vs. 7%)



Major Findings (Continued)

Who is failing?

- 28% of adults and 60% of high school students get an “F” on the Economics Quiz.
- Females are more likely to get an “F” than males (adults: 42% vs. 15%; students: 67% vs. 54%)
- Economic understanding increases with age. 9th – 10th graders are most likely to get an “F”, while adults 50 years and older are least likely to get an “F”:
 - 66% of 9th – 10th graders get an “F”
 - 53% of 11th – 12th graders get an “F”
 - 35% of 18 – 34 year olds get an “F”
 - 30% of 35 – 49 year olds get an “F”
 - 25% of 50 – 64 year olds get an “F”
 - 18% of 65+ year olds get an “F”
- Those with only a high school education are 5 times more likely than college graduates to get a failing grade (46% vs. 9%)
- Students who have not taken economics are more likely to get an “F” (66% vs. 55%)
- Students who are not interested in economics are more likely to get an “F” (71% vs. 51%)

Detailed Findings



Note: Percentages reflect weighted data. Bases are unweighted.

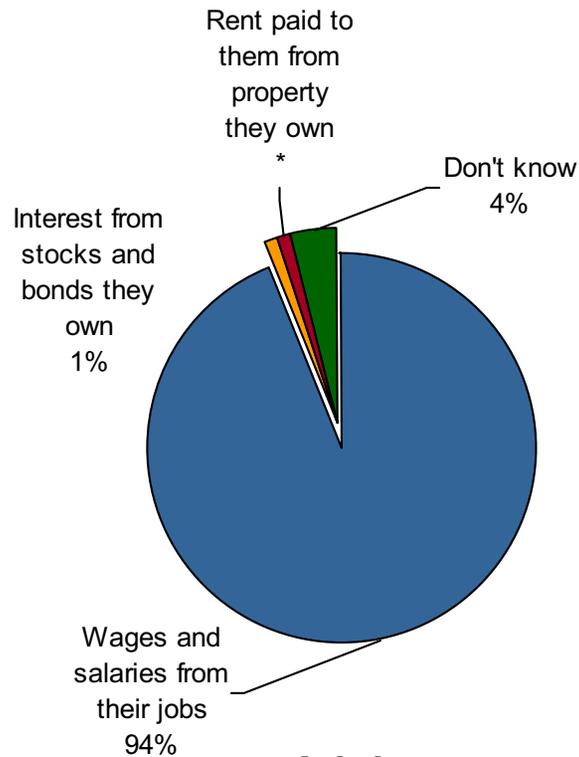
The Quiz: Economics & the Consumer



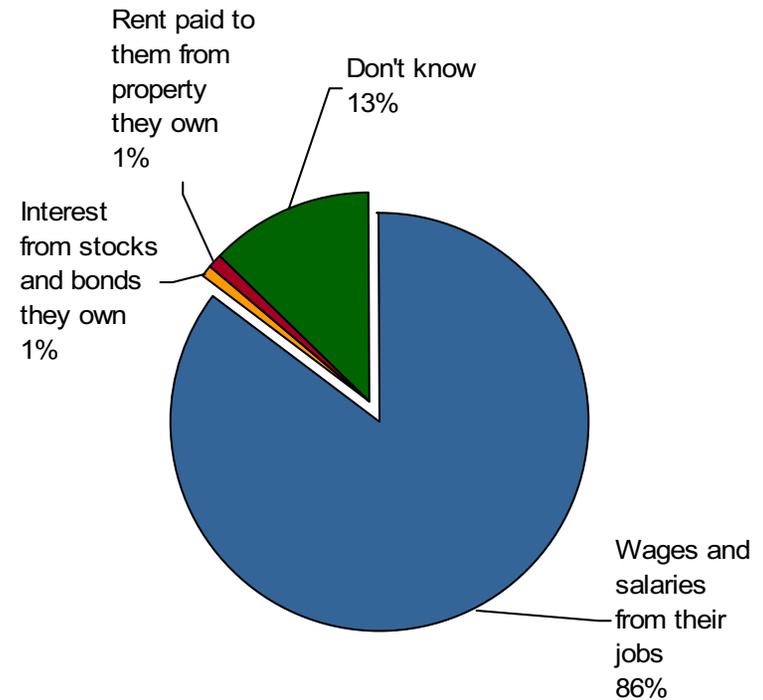


Most Adults And Students Understand That The Largest Portion Of Personal Income Comes From Wages And Salaries

For most people, the largest portion of their personal income comes from:



Adults



Students

Correct Answer: Wages and salaries from their jobs

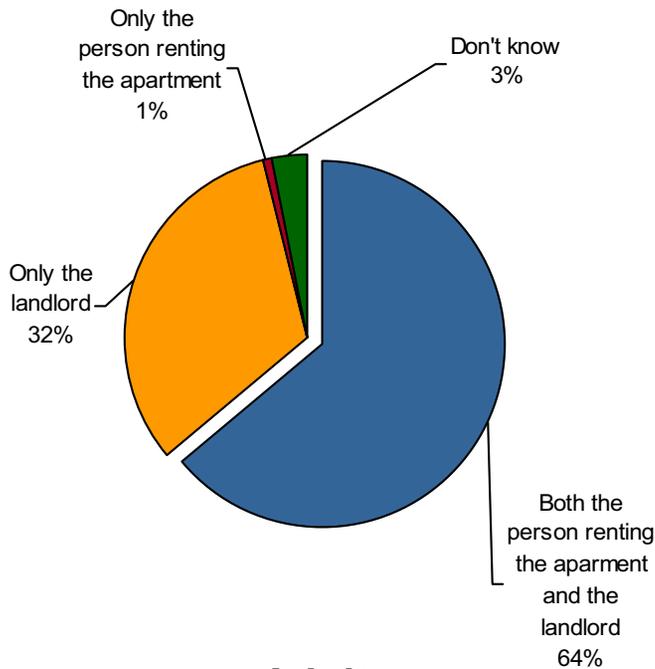
Q600 Base: All Respondents

* Less than 0.5 percent

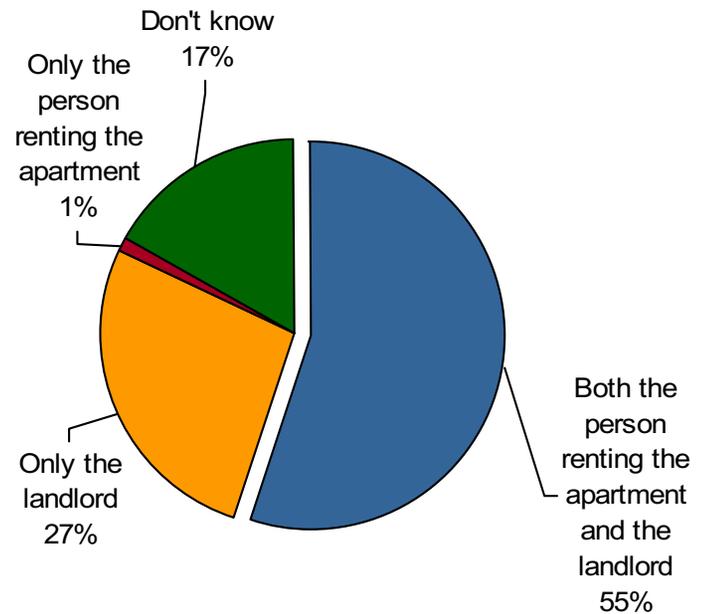


Nearly One-third Of Adults And Students Believe That Only The Landlord Benefits When A Person Rents An Apartment

When a person rents an apartment, who benefits from the transaction?



Adults



Students

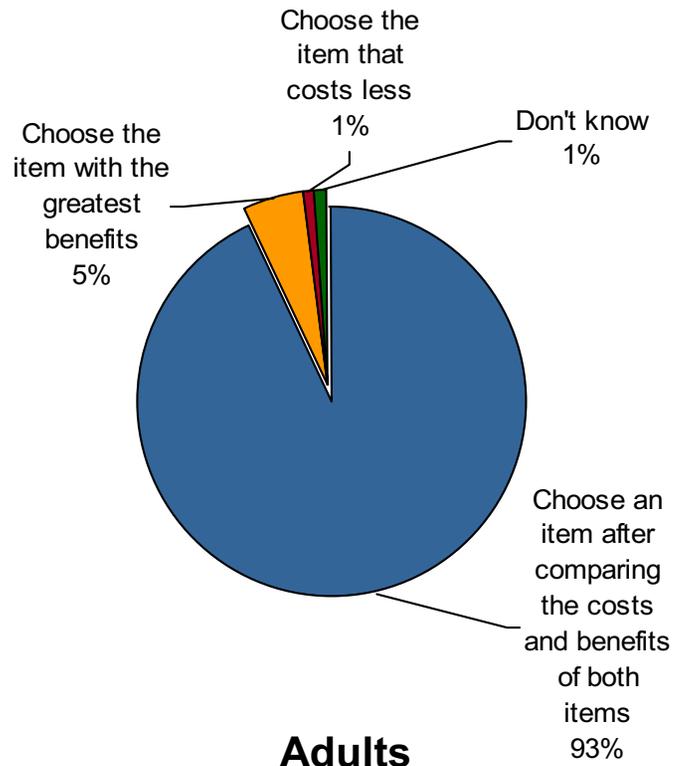
Correct Answer: Both the person renting the apartment and the landlord.

Q605 Base: All Respondents

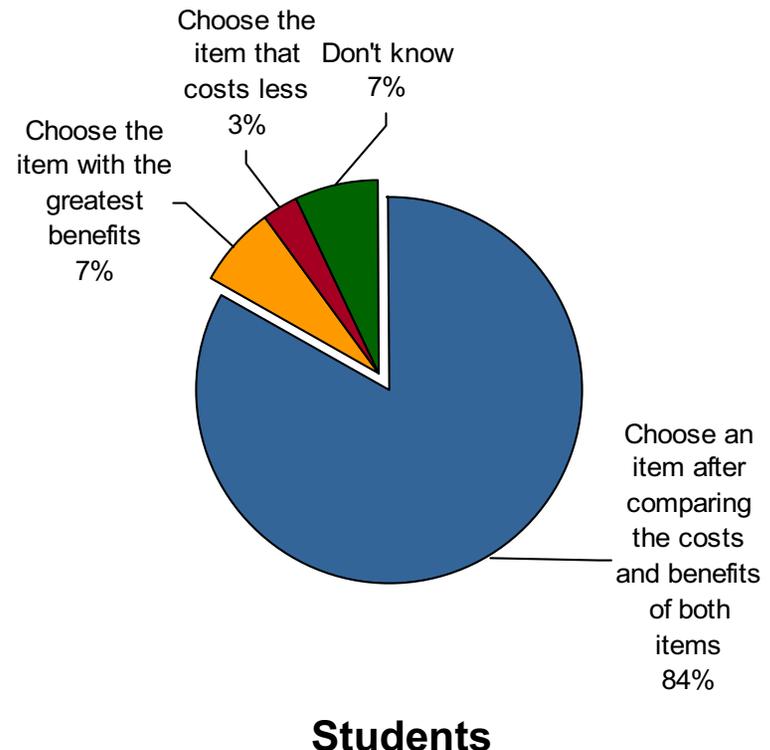


Nearly All Adults And Students Know That Both Costs And Benefits Should Be Evaluated When Deciding Between Items To Purchase

When deciding which of two items to purchase, one should always:



Adults



Students

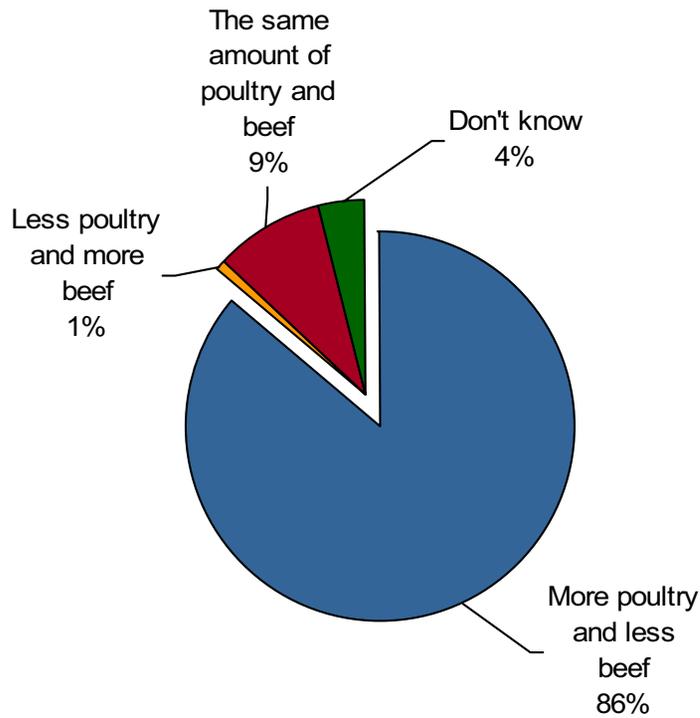
Correct Answer: Choose an item after comparing the costs and benefits of both items.

Q610 Base: All Respondents

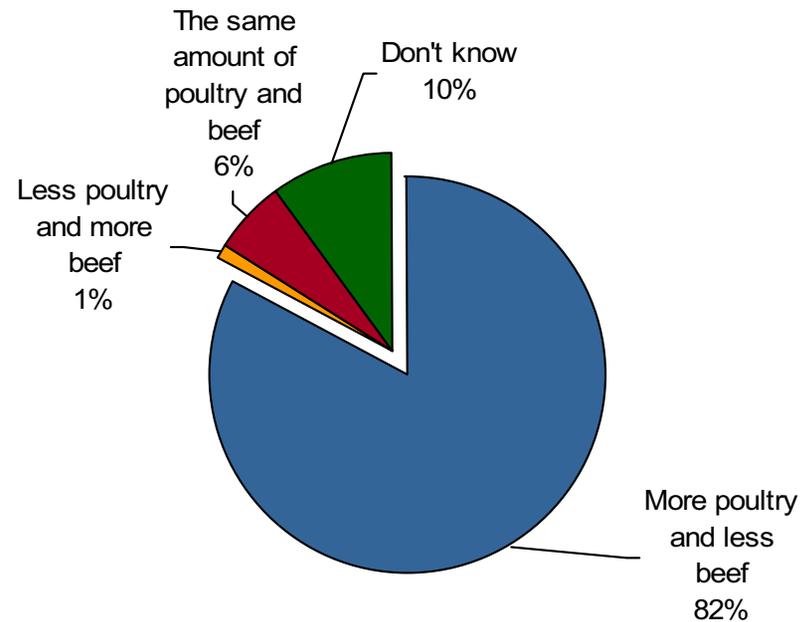


Most Adults And Students Know That People Would Buy More Poultry And Less Beef If The Price Of Beef Doubled And The Price Of Poultry Stayed Constant

If the price of beef doubled and the price of poultry stayed the same, people would most likely buy:



Adults



Students

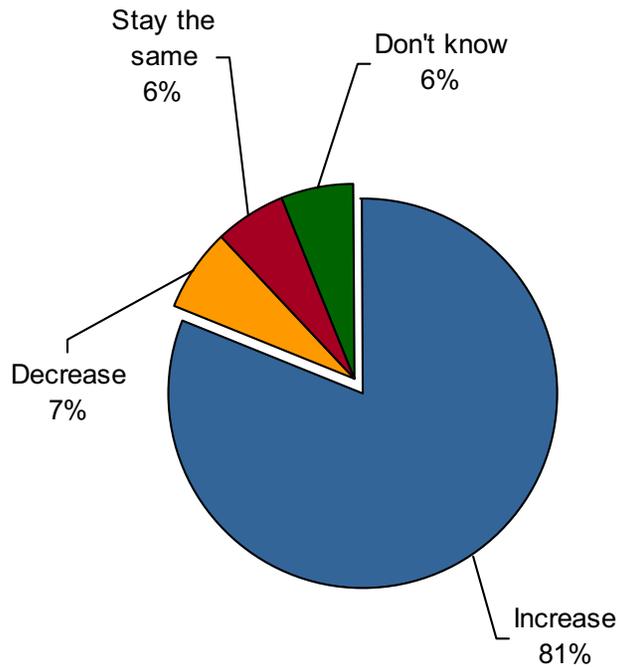
Correct Answer: More poultry and less beef

Q620 Base: All Respondents

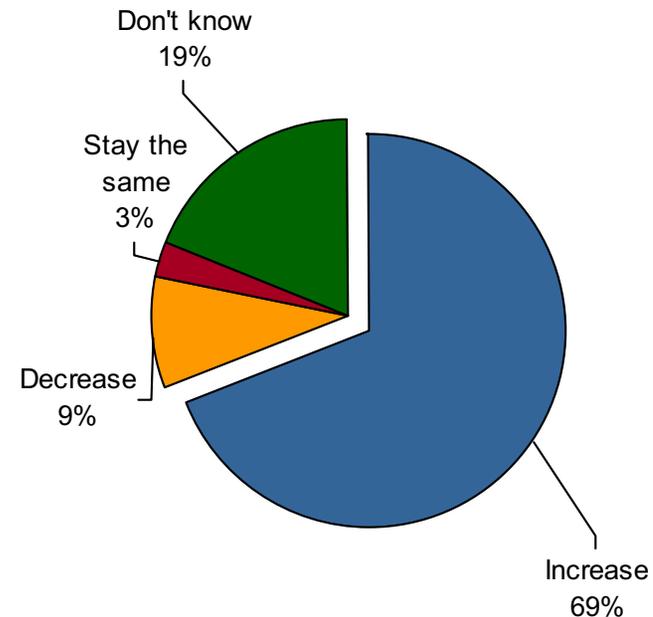


Adults Are More Likely Than Students To Understand That If Demand Increases And Production Does Not Increase As Fast, Then The Price Will Increase

The manufacturers of “XYZ” winter sportswear have their manufacturing plants running night and day, but they are unable to produce enough sportswear to satisfy demand. If “XYZ” manufacturers cannot increase production and demand continues to increase, the price of “XYZ” sportswear will:



Adults



Students

Correct Answer: Increase

Q660 Base: All Respondents

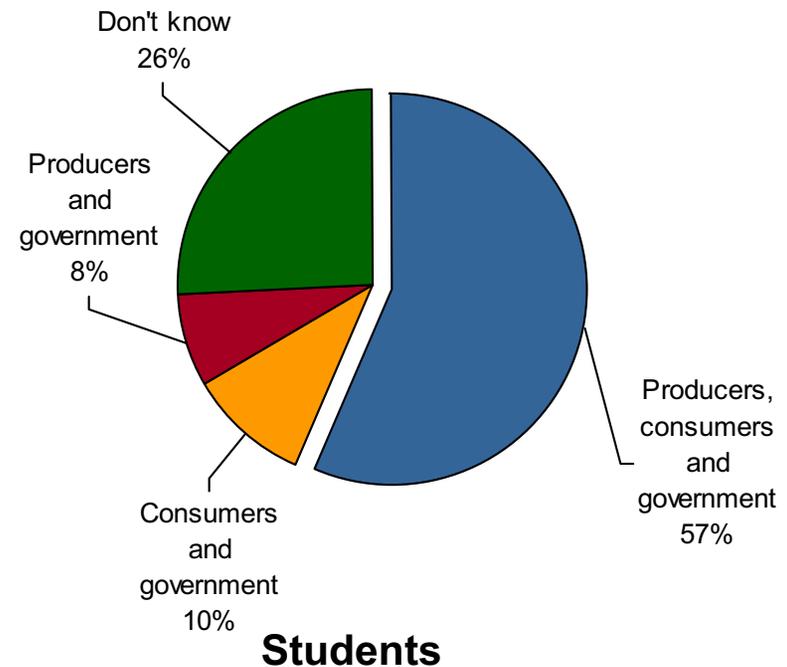
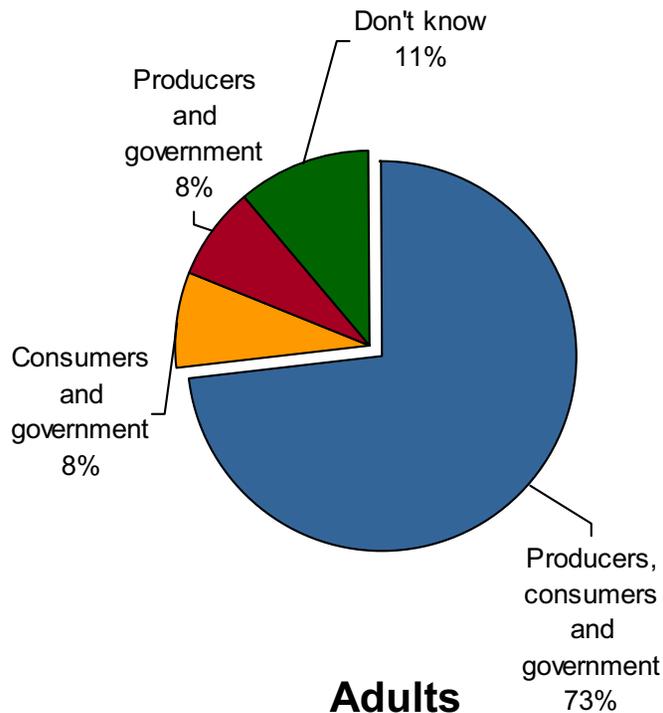
The Quiz: Factors Pertaining to Production





Forty-Four Percent Of Students Cannot Correctly Identify Who Determines What Goods And Services Should Be Produced In The U.S.

In the United States, who determines what goods and services should be produced?



Correct Answer: Producers, consumers, and government

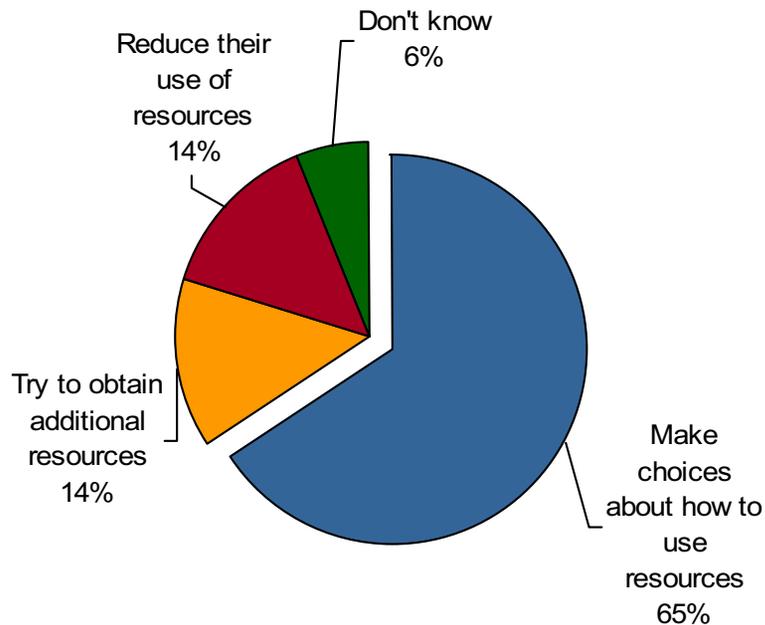
Q615 Base: All Respondents



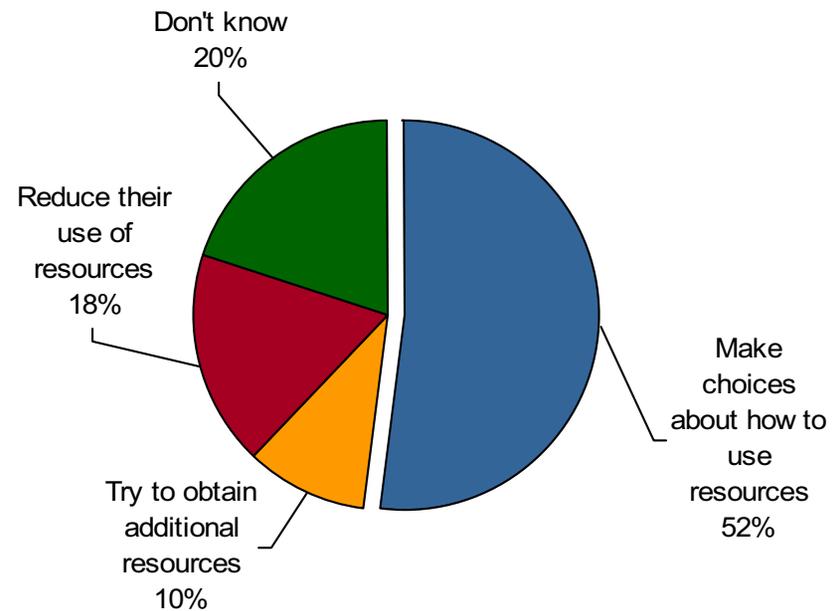


Nearly Two In Ten Students Believe That Society Must Reduce Their Use Of Resources, Since Resources For Goods And Services Are Limited

Since the resources used in the production of goods and services are limited, society must:



Adults



Students

Correct Answer: Make choices about how to use resources

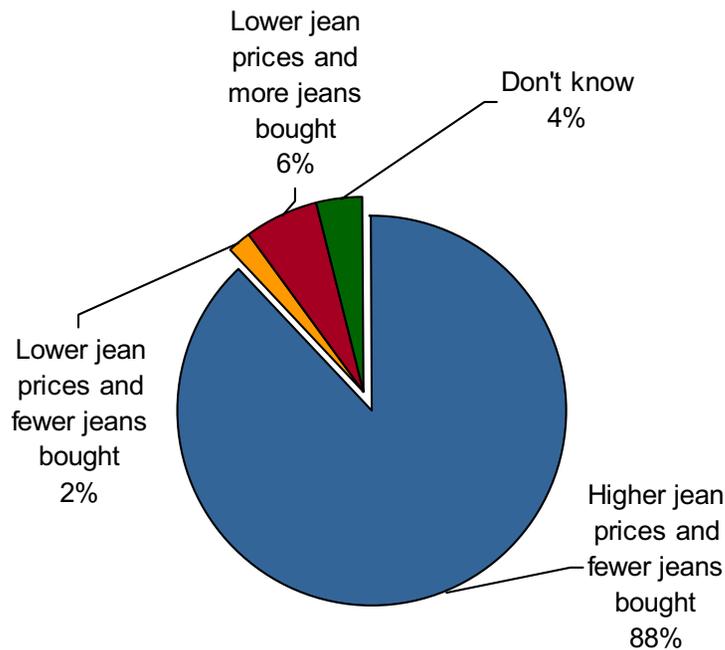
Q625 Base: All Respondents



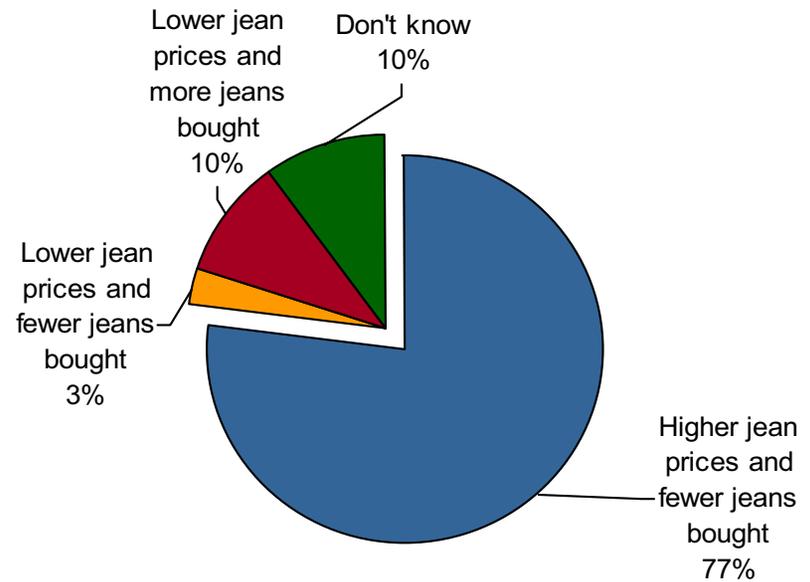


Most Adults And Students Understand That An Increase In The Costs Of Production Will Result In Higher Prices And Fewer Purchases

A large increase in the cost of producing jeans is most likely to result in:



Adults



Students

Correct Answer: Higher jean prices and fewer jeans bought

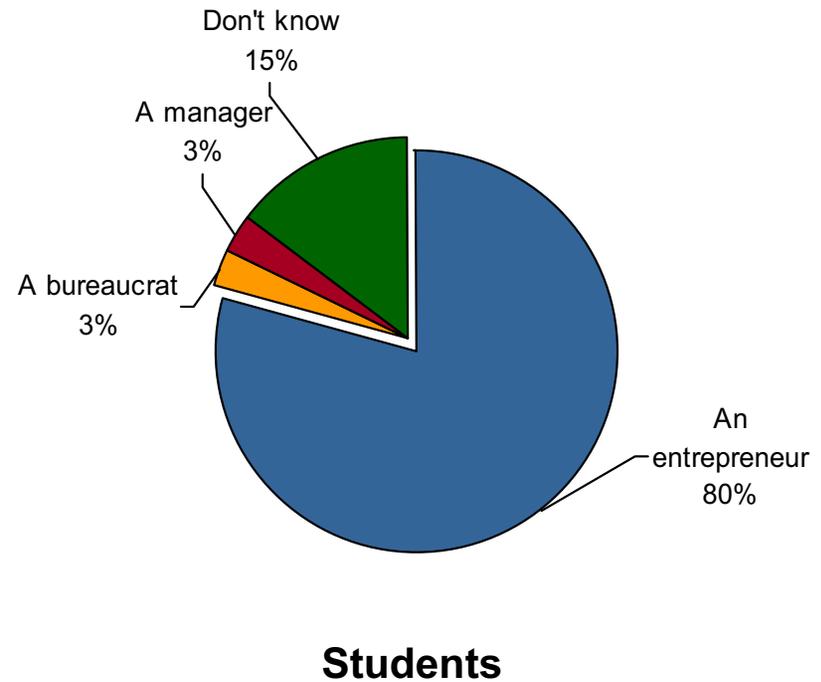
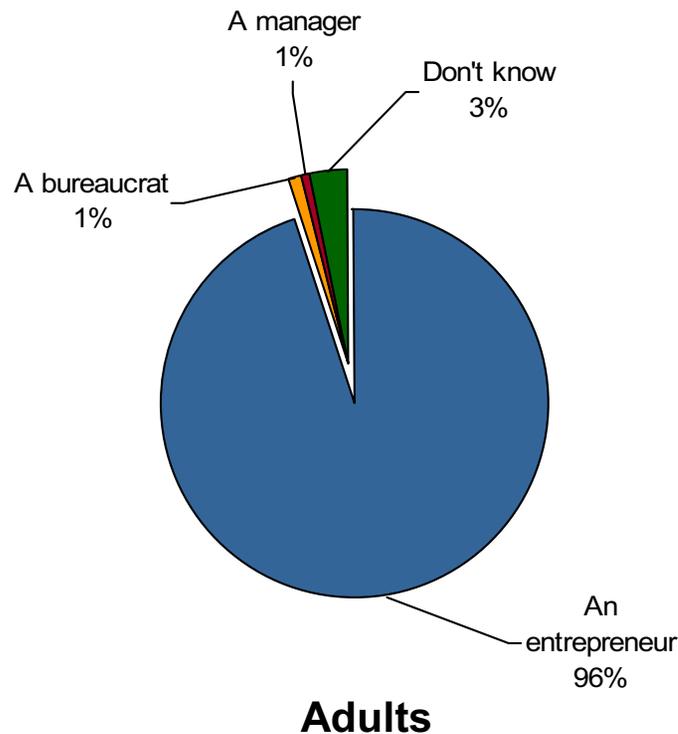
Q645 Base: All Respondents





Nearly All Adults Are Familiar With The Definition Of “Entrepreneur”

A person who starts a business to produce a new product in the marketplace is known as:



Correct Answer: An entrepreneur

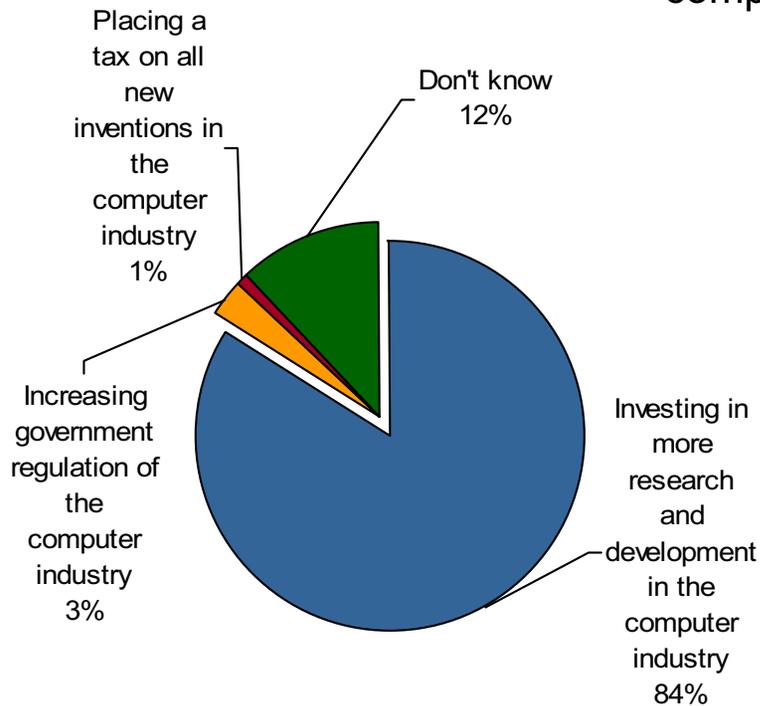
Q655 Base: All Respondents



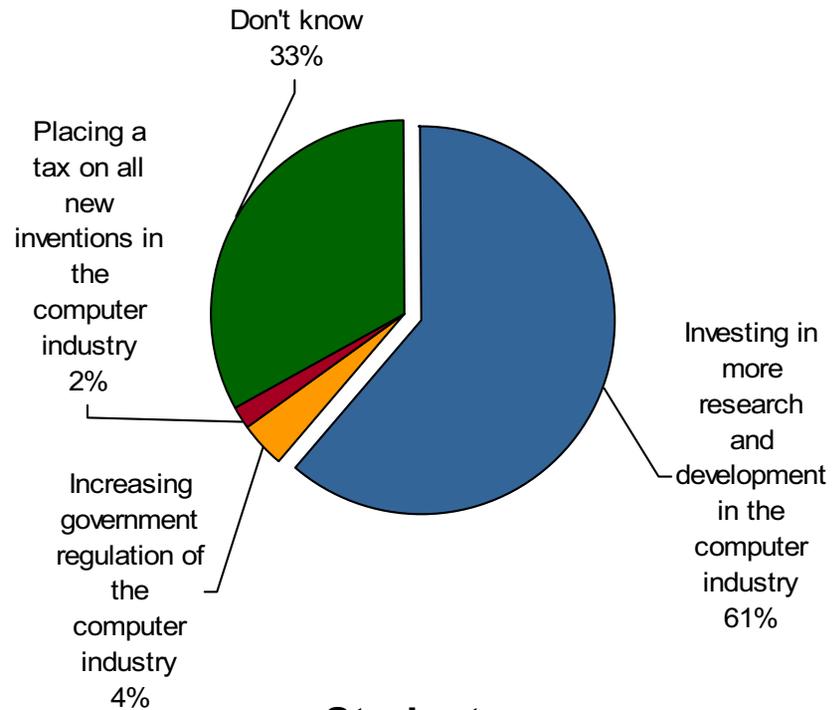


Four In Ten Students Do Not Know That Investing In R&D Would Accelerate Innovation In The Computer Industry

Which of the following would be most likely to accelerate innovation in the computer industry?



Adults



Students

Correct Answer: Investing in more research and development in the computer industry.

Q675 Base: All Respondents



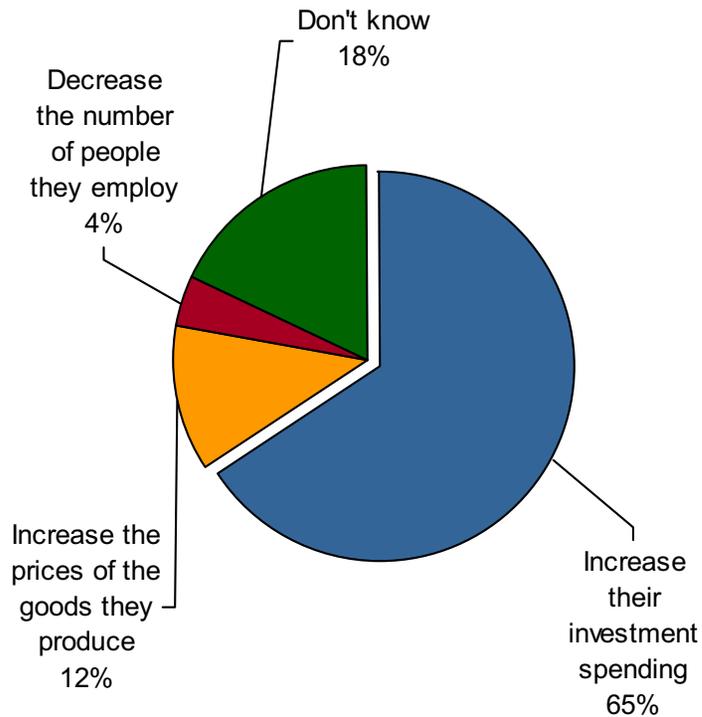
The Quiz: Money, Interest Rates and Inflation



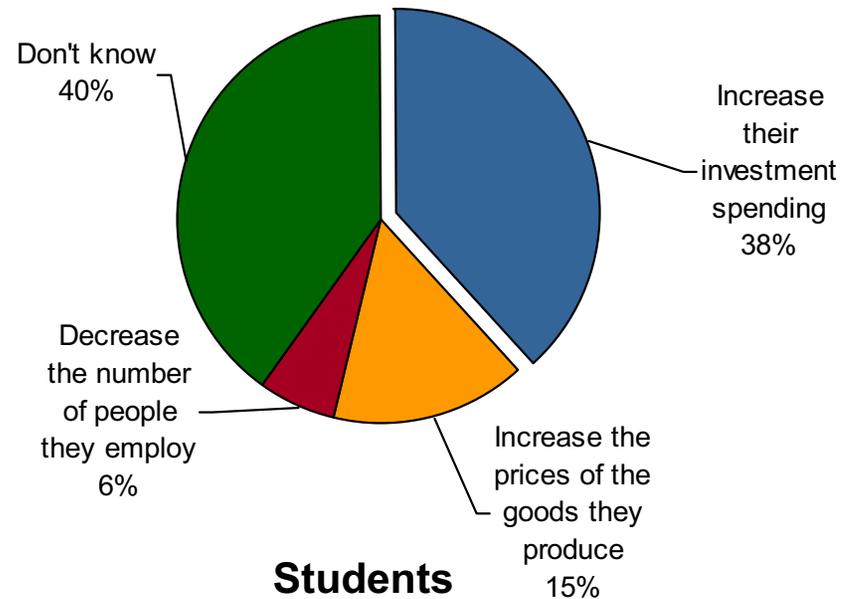


Most Students Do Not Know The Effect Of Lower Interest Rates On Businesses

If the interest rates charged by banks decreased, businesses are most likely to:



Adults



Students

Correct Answer: Increase their investment spending

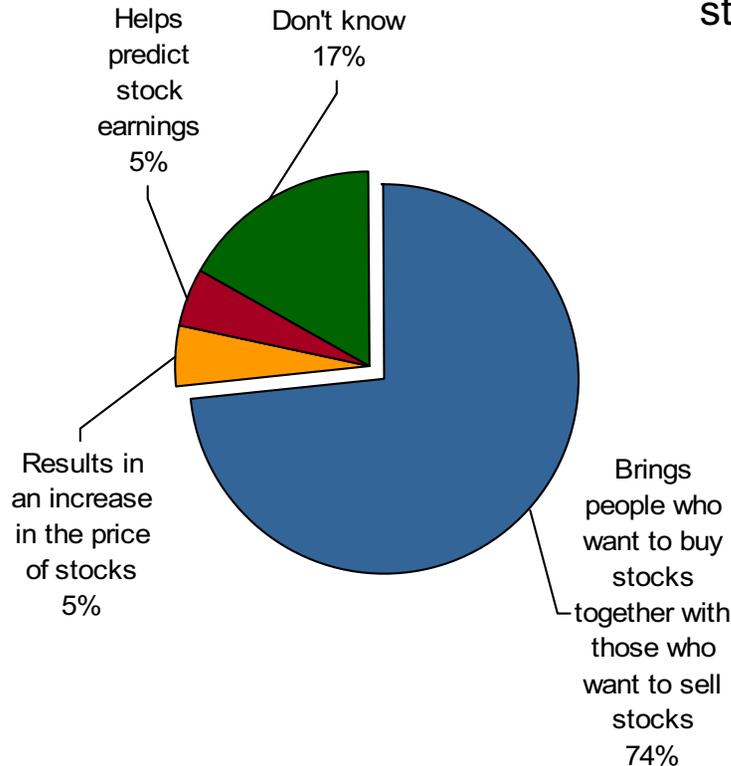
Q630 Base: All Respondents





Three-quarters Of Adults Understand The Purpose Of The Stock Market

The stock market is an example of an institution within our economy that exists to help people achieve their goals. The existence of the stock market:



Adults



Students

Correct Answer: Brings people who want to buy stocks together with those who want to sell stocks.

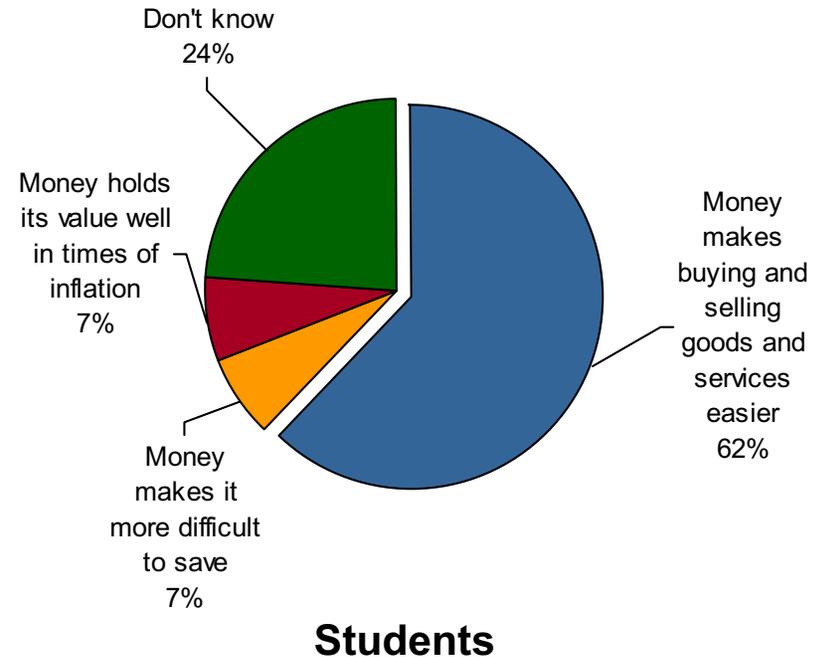
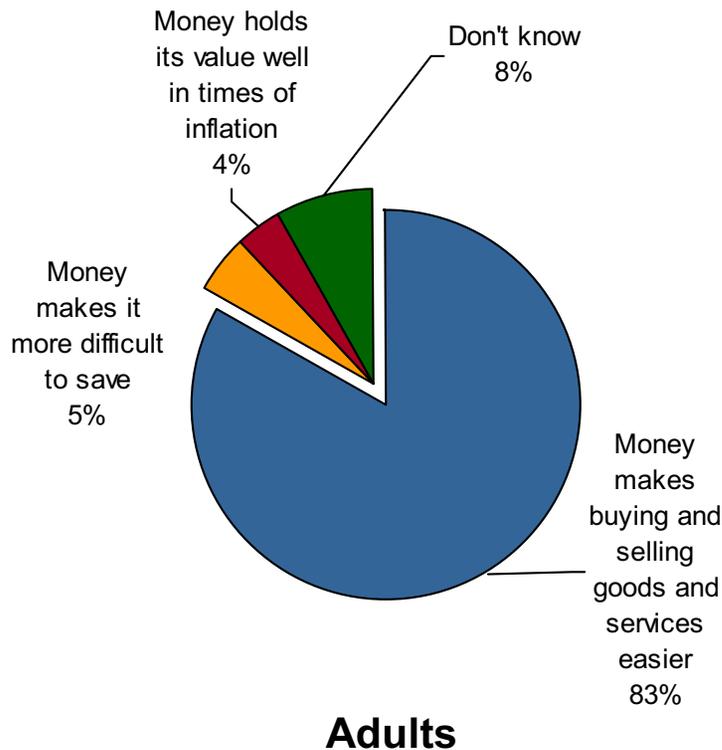
Q640 Base: All Respondents





A Majority Of Adults And Students Know That Money Makes Buying And Selling Goods And Services Easier

Which of the following statements about the functions of money is correct?



Correct Answer: Money makes buying and selling goods and services easier.

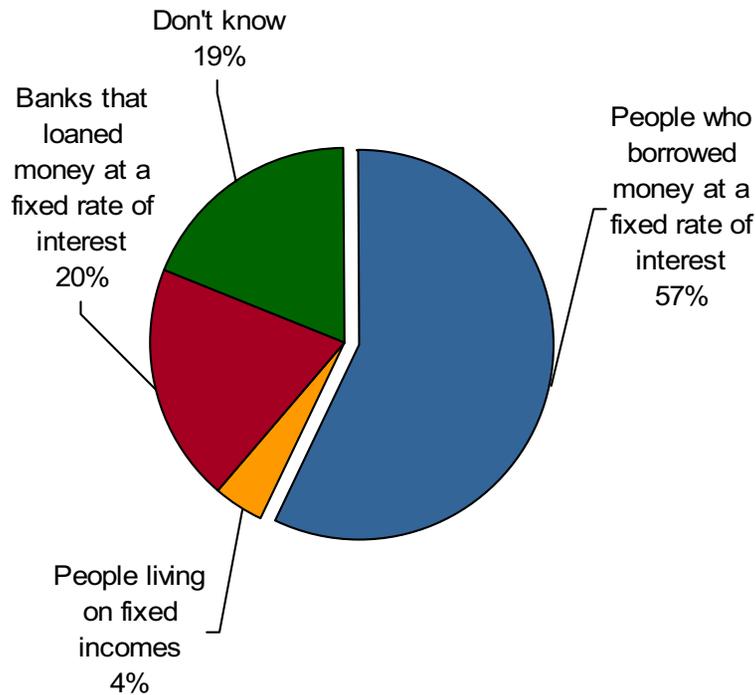
Q650 Base: All Respondents



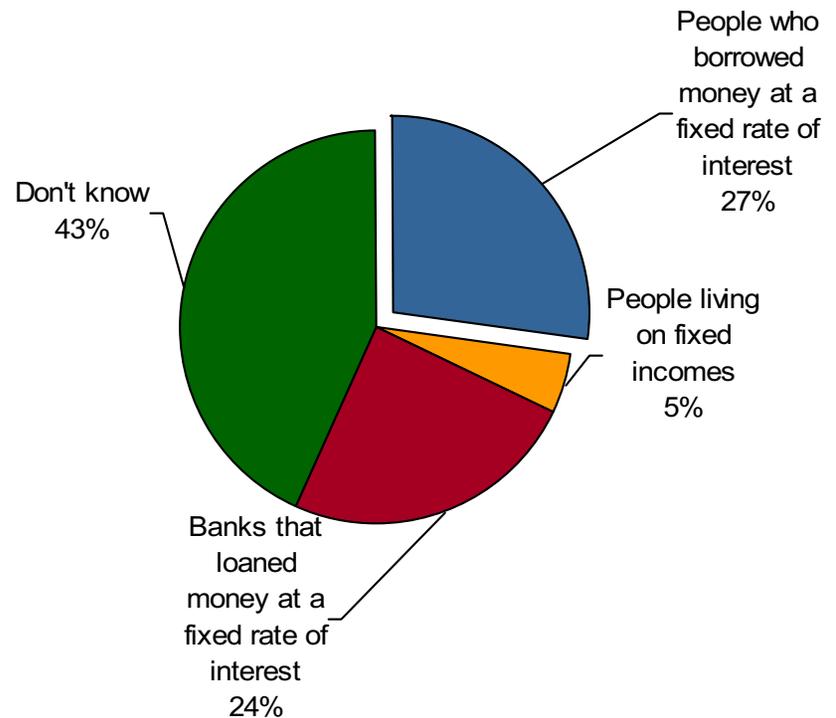


Two In Ten Adults Believe That Banks That Loaned Money At A Fixed Interest Rate Would Be Helped By Inflation

Which of the following are most likely to be helped by inflation?



Adults



Students

Correct Answer: People who borrowed money at a fixed rate of interest.

Q665 Base: All Respondents



The Quiz: Government and Trade in Economics



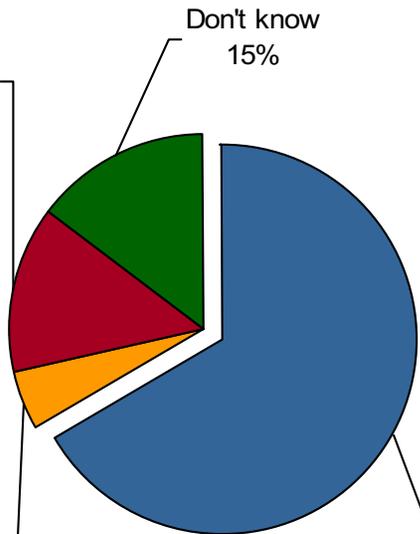


Only Half Of Students Understand The Impact Of The Exchange Rate On The Purchase Of Goods And Services

Assume that one U.S. dollar is equivalent to 10 Japanese yen. If the value of the dollar appreciates so that one dollar is equivalent to 15 Japanese yen, which of the following occurs?

The price of all goods produced in Japan but sold in the U.S. will increase. 14%

The Japanese people will import more goods made in the U.S. 5%



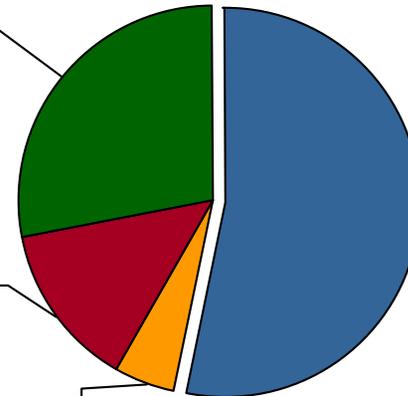
Adults

Americans traveling to Japan find their dollars buy more goods and services. 67%

Don't know 28%

The price of all goods produced in Japan but sold in the U.S. will increase. 14%

The Japanese people will import more goods made in the U.S. 5%



Students

Americans traveling to Japan find their dollars buy more goods and services. 53%

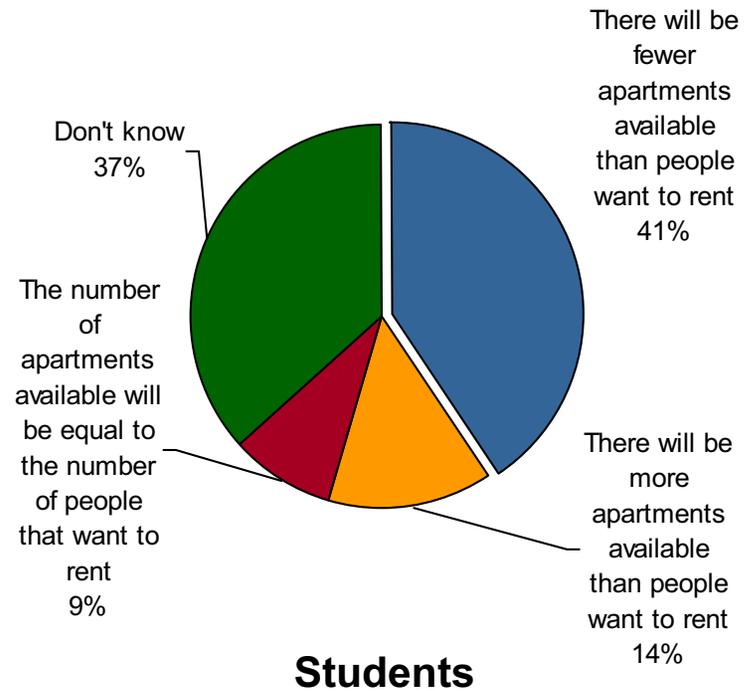
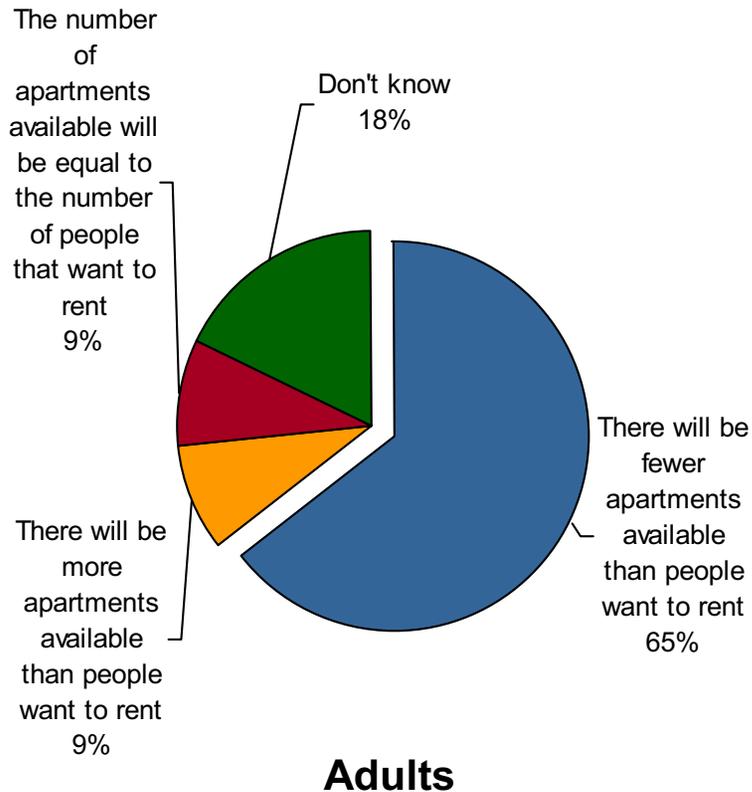
Correct Answer: Americans traveling to Japan find their dollars buy more goods and services.

Q635 Base: All Respondents



One-third Of Adults Do Not Know The Effect Of A Price Ceiling On The Quantity Supplied

If your city government sets a maximum amount landlords can charge in rent, what is the most likely result?



Correct Answer: There will be fewer apartments available than people want to rent.

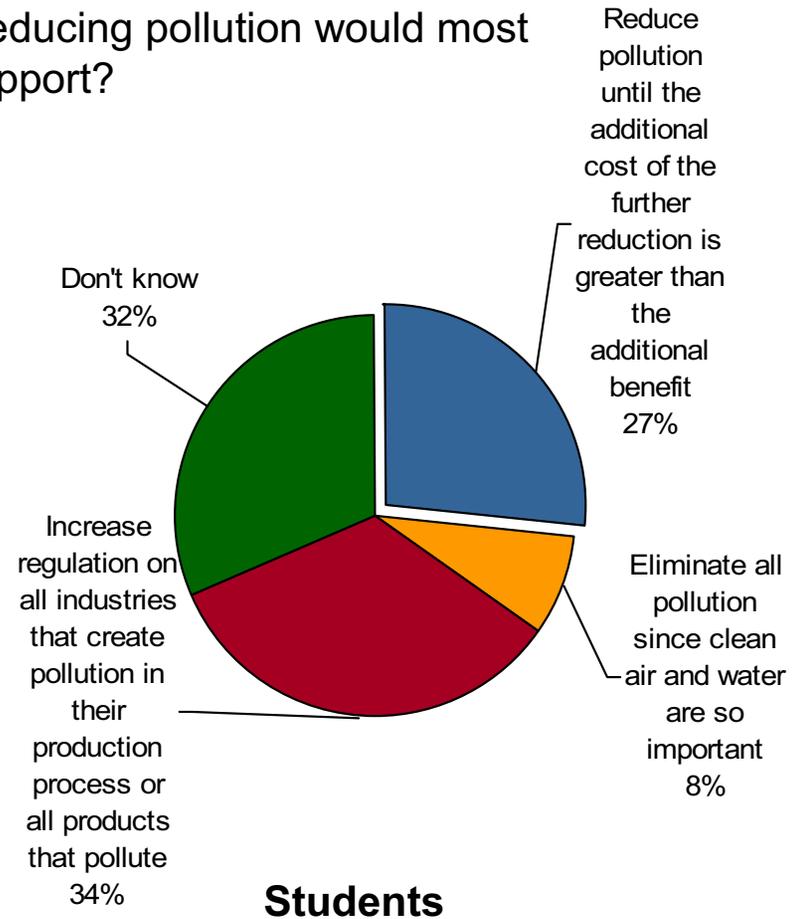
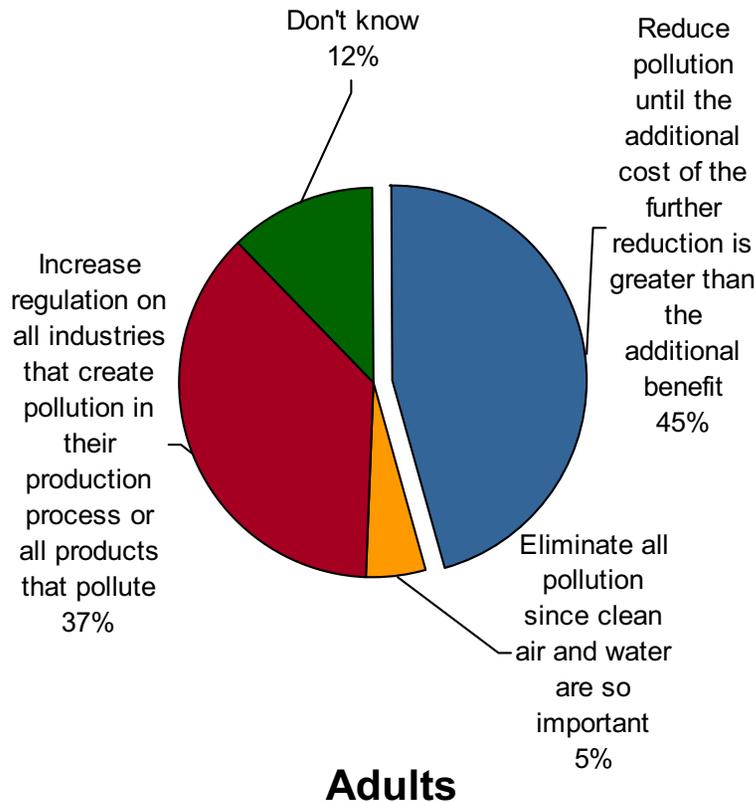
Q670 Base: All Respondents





Fewer Than Half Of Adults And Only One-quarter Of Students Understand Which Method Of Reducing Pollution Economists Support

Which of the following methods for reducing pollution would most economists support?

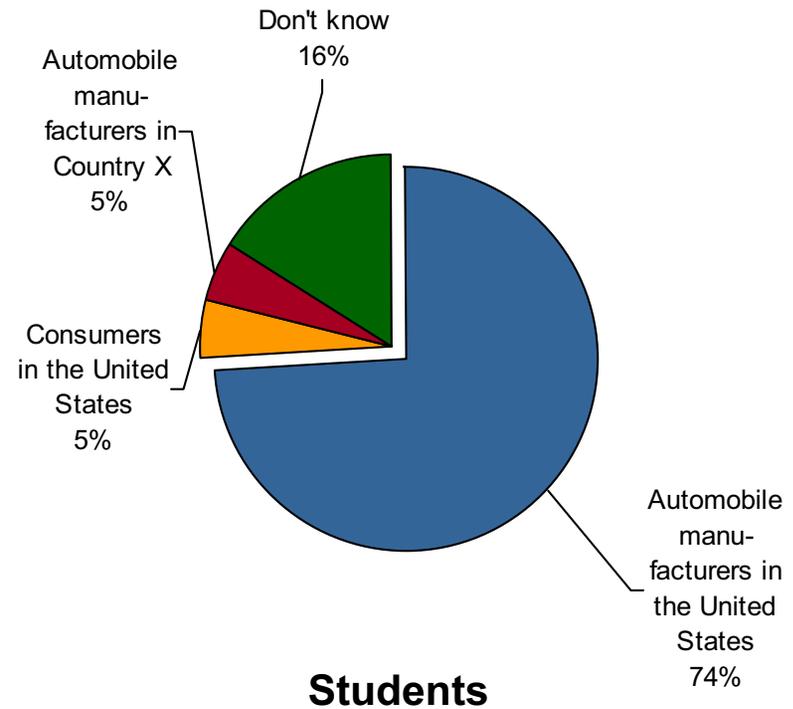
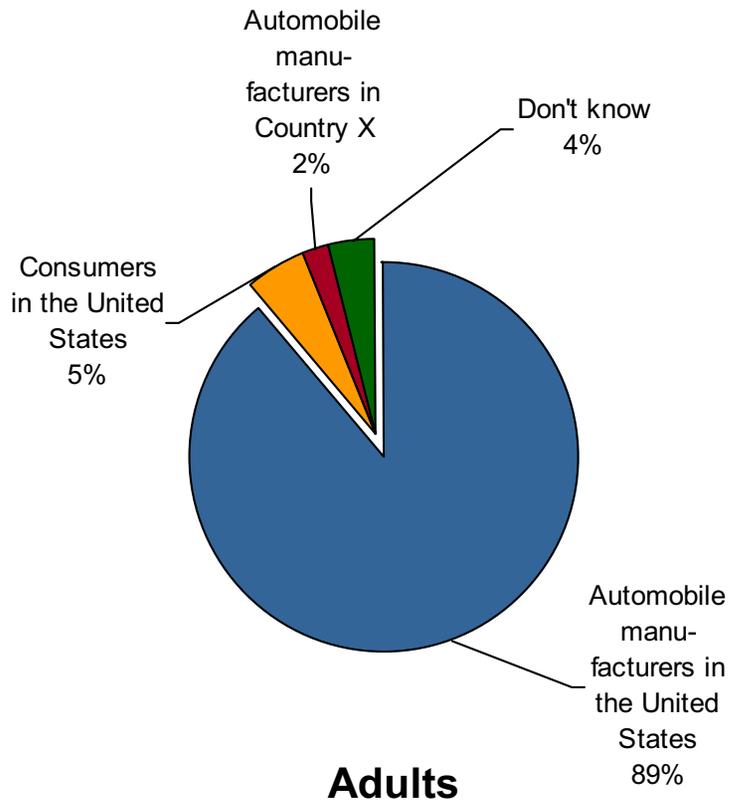


Correct Answer: Reduce pollution until the additional cost of further reduction is greater than the additional benefit.



A Majority Of Adults And Students Understand The Effect Of Limiting Trade Between Countries

If the United States stopped importing automobiles from Country X, who would be most likely to benefit?



Correct Answer: Automobile manufacturers in the United States

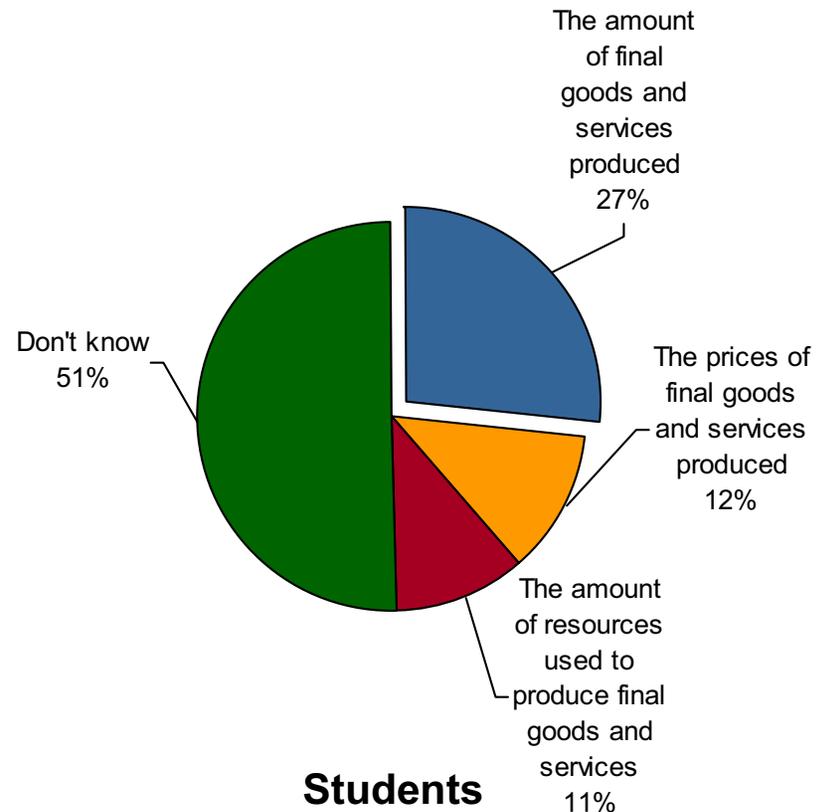
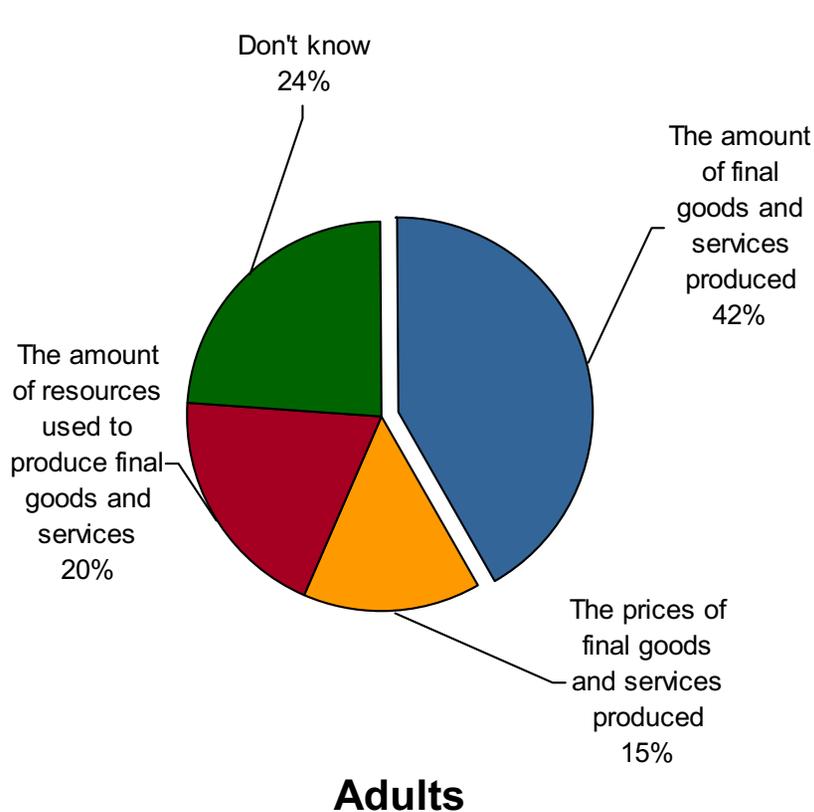
Q685 Base: All Respondents





Fewer Than Half Of Adults And Only One-quarter Of Students Understand What It Means To Say That Gross Domestic Product Has Increased

If the real gross domestic product of the United States has increased, which of the following has also definitely increased?



Correct Answer: The amount of final goods and services produced

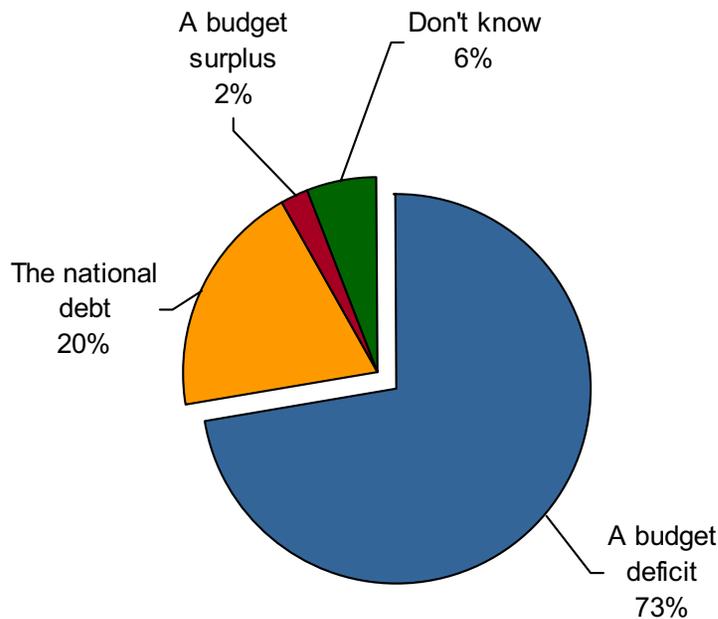
Q690 Base: All Respondents



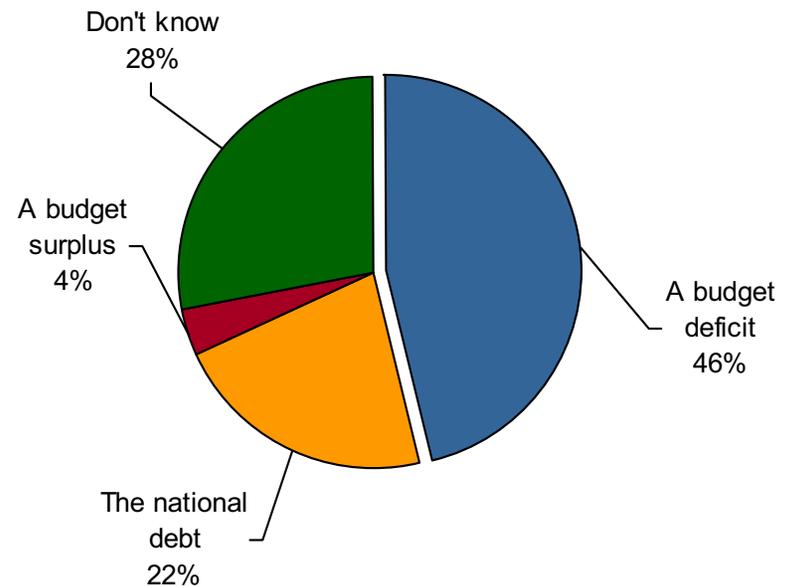


Fewer Than Half Of Students Can Define “Budget Deficit”

When the federal government’s expenditures for a year are greater than its revenue for that year, the difference is known as:



Adults



Students

Correct Answer: A budget deficit

Q695 Base: All Respondents



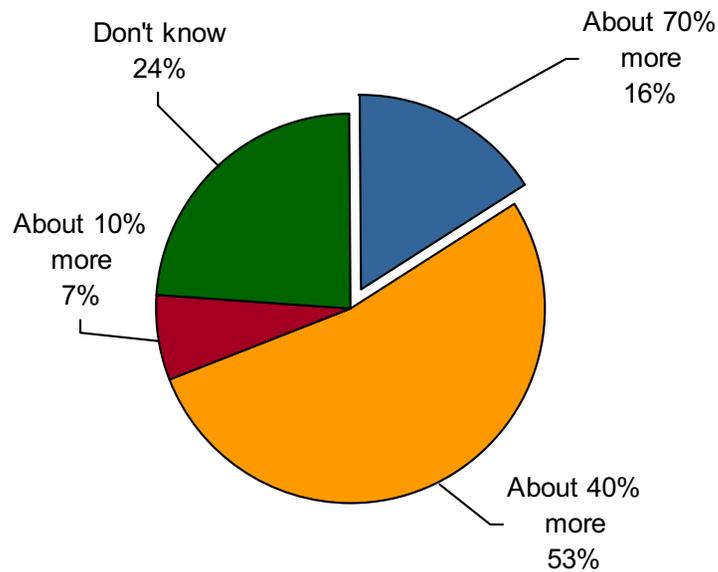
The Quiz: Personal Finance



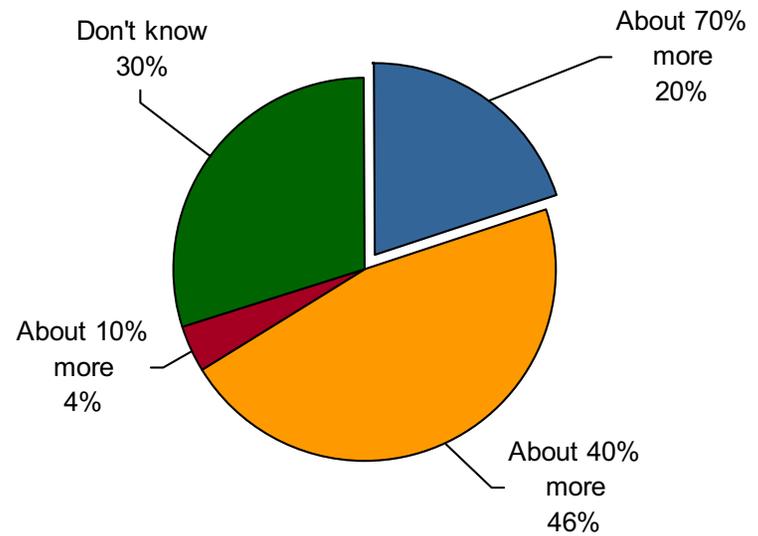


Most Adults And Students Underestimate The Impact Of A College Degree On Earnings

On average, how much more do adults who are college graduates earn per year than adults who are high school graduates only?



Adults



Students

Correct Answer: About 70% more

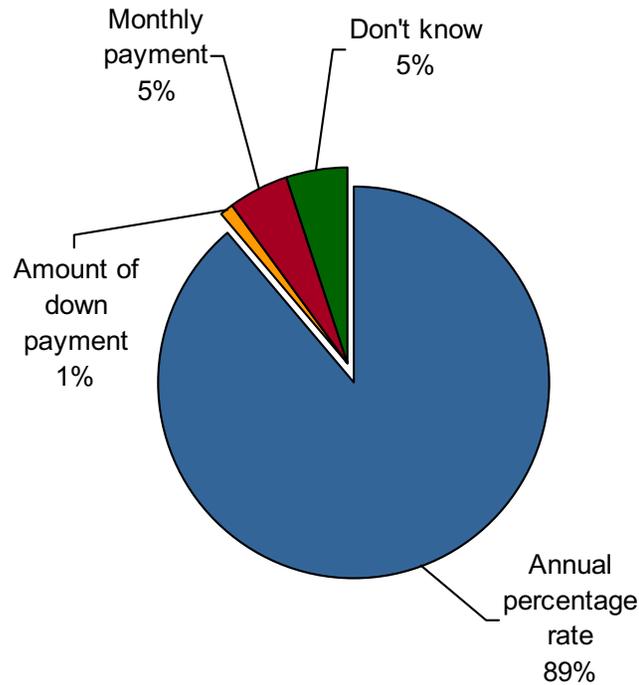
Q700 Base: All Respondents



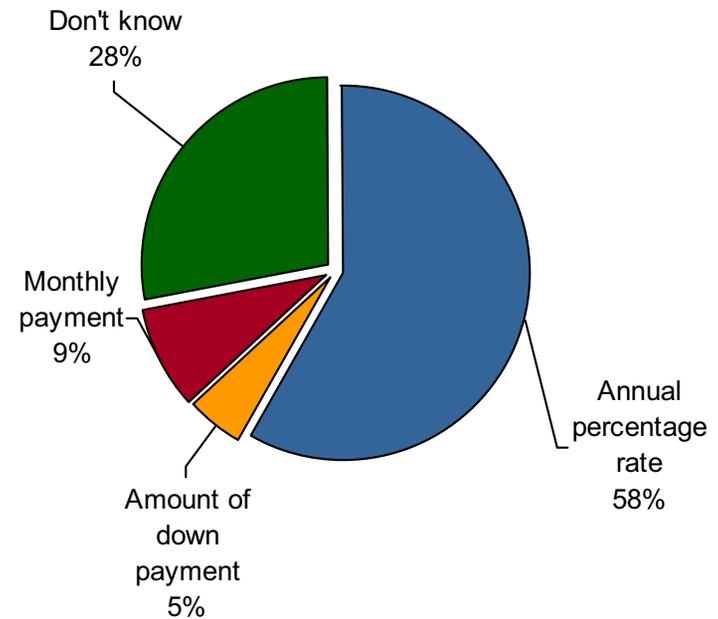


Adults Are More Likely Than Students To Define “Annual Percentage Rate”

The cost of borrowing money is the:



Adults



Students

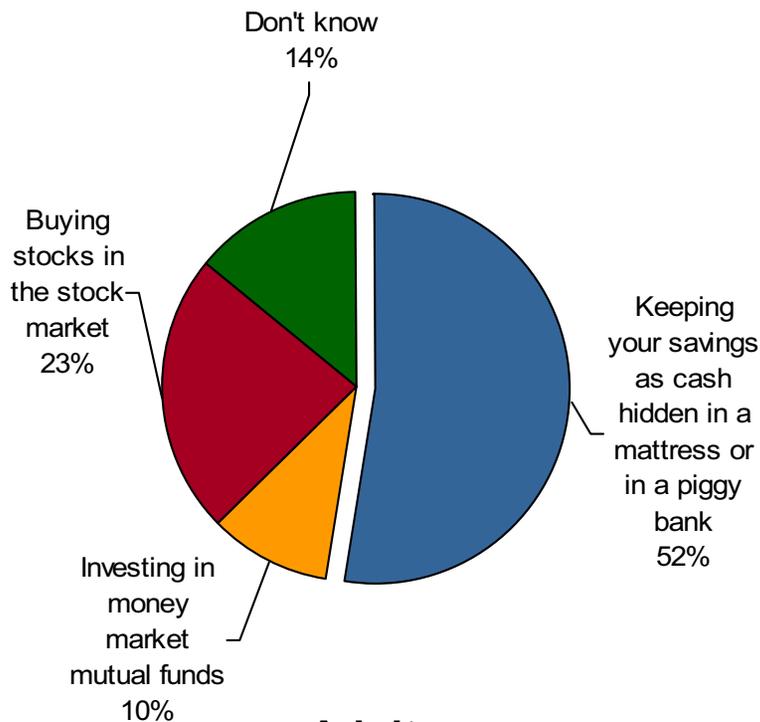
Correct Answer: Annual percentage rate

Q705 Base: All Respondents

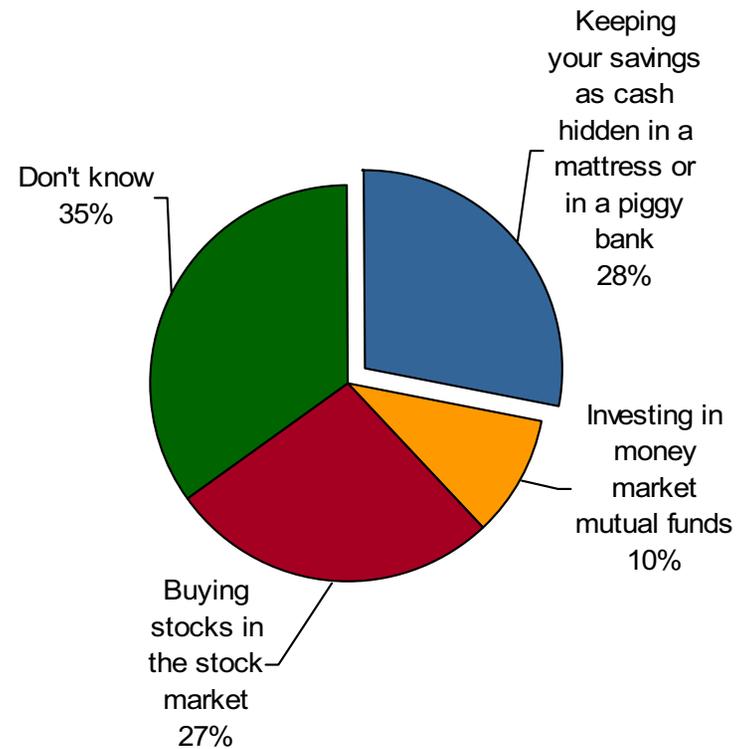


Half Of Adults Do Not Know That Keeping Savings As Cash At Home Has The Greatest Risk Of Losing Value Due To Inflation

Which of the following types of investments has the greatest risk of losing value due to inflation?



Adults



Correct Answer: Keeping your savings as cash hidden in a mattress or in a piggy bank

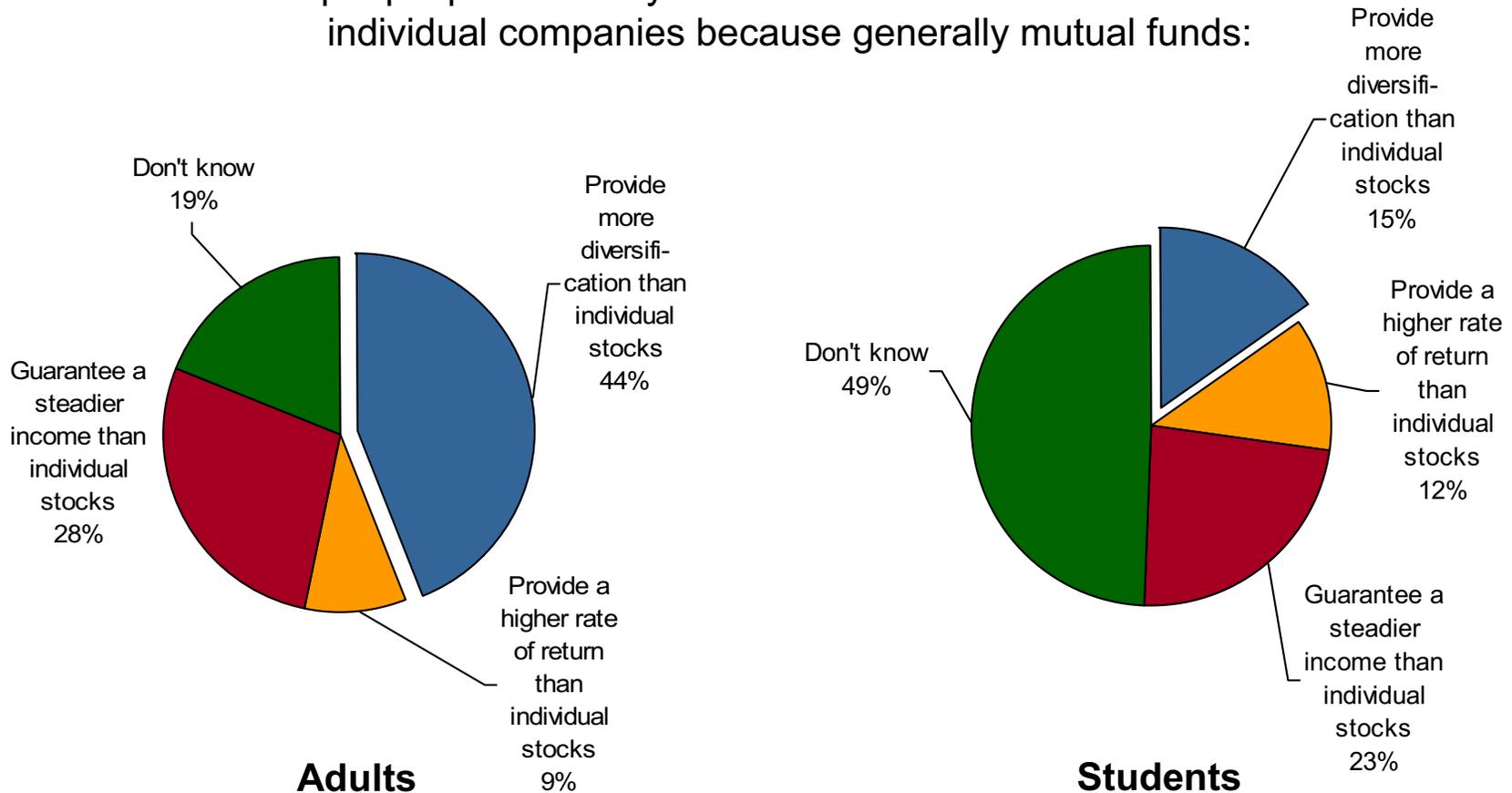
Q710 Base: All Respondents





Few Students Understand That Mutual Funds Provide More Diversification Than Individual Stocks

Some people prefer to buy mutual funds rather than stocks in a few individual companies because generally mutual funds:



Correct Answer: Provide more diversification than individual stocks

Q715 Base: All Respondents

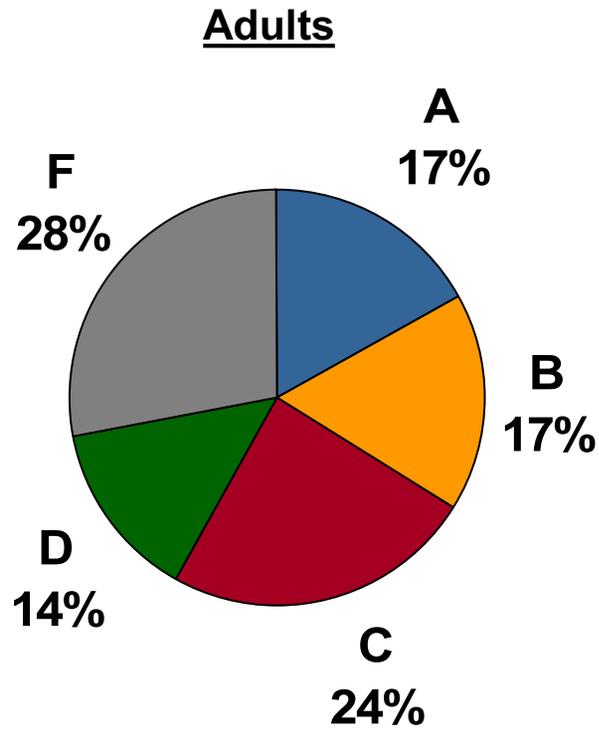
The Quiz: Overall Score



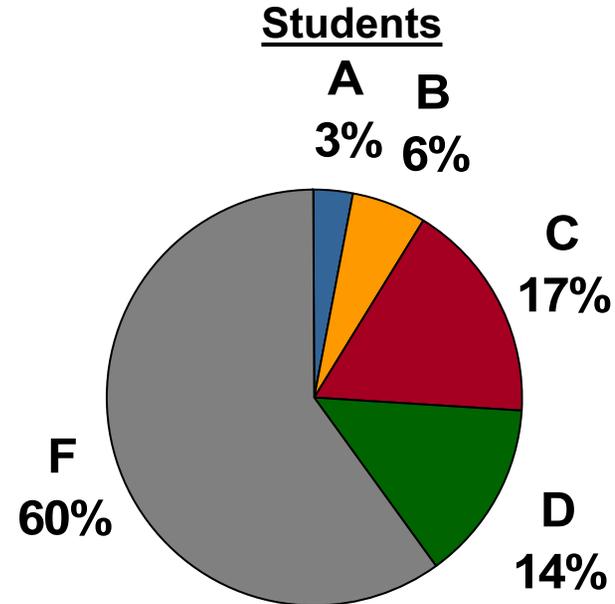


A Majority Of Students And Three In Ten Adults Get A Failing Grade On The Economics Quiz

Quiz Score*



Average Score = 70
(n=3,512)



Average Score = 53
(n=2,242)

*Score based on all 24 quiz questions. Score range is 0-100.





Older Adults And Males Score Higher On The Economics Quiz

Adults – Quiz Score*

	Total (n=3,512)	Age				Gender	
		18-34 (n=1040)	35-49 (n=1,039)	50-64 (n=748)	65+ (n=685)	Male (n=1,706)	Female (n=1,806)
A/B (Net)	34%	25%	34%	38%	42%	51%	17%
A	17%	12%	18%	18%	20%	27%	6%
B	17%	13%	16%	19%	22%	23%	10%
C	24%	25%	23%	24%	27%	26%	23%
D	14%	14%	13%	14%	13%	9%	18%
F	28%	35%	30%	25%	18%	15%	42%
Average Score	70	66	70	73	76	78	63

Note: Percentages reflect weighted data. Bases are unweighted.

*Score based on all 24 quiz questions. Score range is 0-100.



On Average, The More Education One Has The Higher The Score On The Quiz

Adults – Quiz Score*

	Total (n=3,512)	Race/Ethnicity			Education Level		
		White (n=2,914)	Black (n=134)	Hispanic (n=199)	High School or Less (n=584)	Some College (n=1,513)	College Graduate or More (n=1,415)
A/B (Net)	34%	37%	12%	21%	15%	33%	61%
A	17%	19%	4%	10%	4%	15%	38%
B	17%	18%	8%	11%	11%	19%	23%
C	24%	25%	22%	25%	23%	29%	23%
D	14%	13%	18%	16%	17%	16%	7%
F	28%	25%	48%	38%	46%	23%	9%
Average Score	70	72	61	64	61	72	82

Note: Percentages reflect weighted data. Bases are unweighted.

*Score based on all 24 quiz questions. Score range is 0-100.



Male Students Are Twice As Likely As Female Students To Get An “A” Or “B” On The Quiz

Students – Quiz Score*

	Total (n=2,242)	Gender		Race/Ethnicity		
		Male (n=978)	Female (n=1,264)	White (n=1,693)	Black (n=114)	Hispanic (n=169)
A/B (Net)	9%	12%	6%	11%	3%	5%
A	3%	5%	1%	4%	1%	1%
B	6%	7%	5%	7%	2%	4%
C	17%	20%	14%	18%	9%	18%
D	14%	14%	14%	16%	11%	9%
F	60%	54%	67%	56%	77%	68%
Average Score	53	56	49	55	45	50

Note: Percentages reflect weighted data. Bases are unweighted.

*Score based on all 24 quiz questions. Score range is 0-100.



Twelfth Graders Score Highest On The Quiz

Students – Quiz Score*

	Total (n=2,242)	Were Taught Economics		Grade Level			
		Yes (n=1,128)	No (n=1,114)	9 th (n=460)	10 th (n=614)	11 th (n=580)	12 th (n=588)
A/B (Net)	9%	10%	8%	8%	8%	6%	14%
A	3%	3%	3%	4%	2%	3%	4%
B	6%	7%	5%	5%	6%	4%	10%
C	17%	19%	14%	12%	14%	19%	23%
D	14%	16%	12%	14%	12%	14%	17%
F	60%	55%	66%	66%	67%	61%	46%
Average Score	53	56	50	49	51	54	59

Note: Percentages reflect weighted data. Bases are unweighted.

*Score based on all 24 quiz questions. Score range is 0-100.



Profile Of High And Low Scoring Adults

		Total	Quiz Scores	
			High/ A's & B's	Low/ C's & Less
Unweighted Base		3512	1355	2157
Gender	Male	50%	75%	37%
	Female	50%	25%	63%
Race/ Ethnicity	White	75%	82%	71%
	Black	8%	3%	11%
	Hispanic	11%	7%	13%
	Other	4%	3%	4%
Age	18-34	30%	23%	34%
	35-49	32%	32%	31%
	50-64	22%	24%	20%
	65+	17%	21%	14%
Education Level	High school or less	41%	19%	53%
	Some college	30%	30%	31%
	College graduate or more	28%	51%	17%



Profile Of High And Low Scoring Students

		Total	Quiz Scores	
			High/ A's & B's	Low/ C's & Less
Unweighted Base		2242	266	1976
Gender	Male	49%	66%	48%
	Female	51%	34%	52%
Race/ Ethnicity	White	64%	76%	63%
	Black	12%	5%	12%
	Hispanic	15%	9%	16%
	Other Race	8%	9%	8%
Were Taught Economics	Yes	50%	55%	49%
	No	50%	45%	51%
Grade Level	9th	29%	27%	29%
	10th	26%	22%	26%
	11th	23%	16%	24%
	12th	22%	34%	21%

Changes Over Time: Students

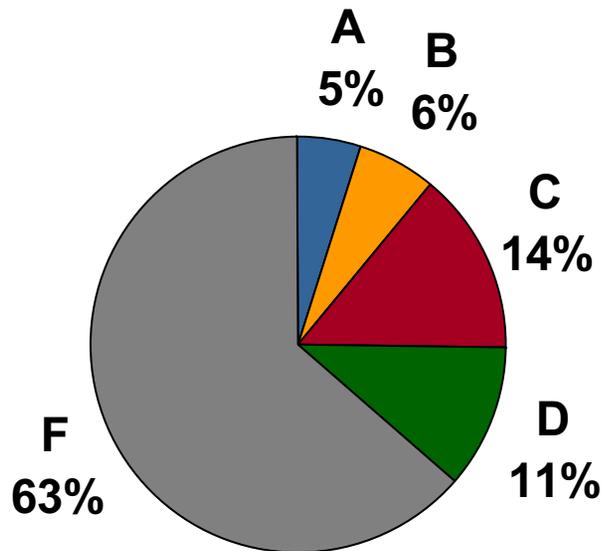




Students Economic Knowledge Has Increased Since 1999; Percentage Of Students Scoring An “A” Or “B” Nearly Doubled

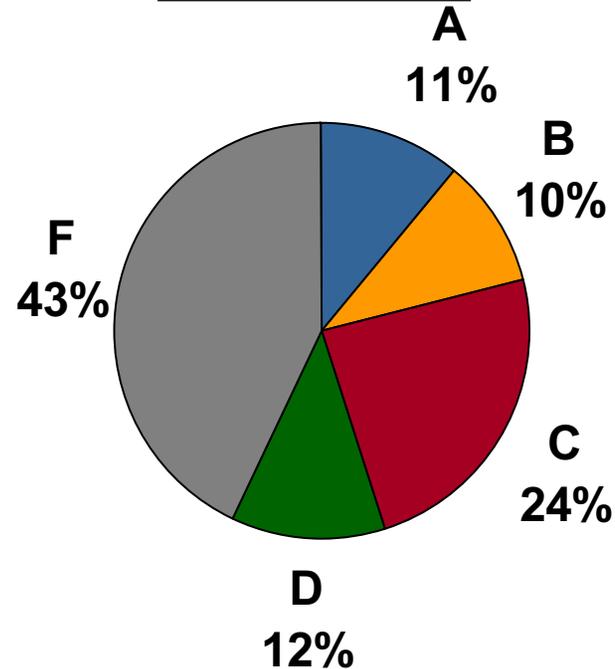
Quiz Score*

Students - 1999



Mean Score = 51
(n=1,085)

Students - 2005



Mean Score = 62
(n=2,242)

*Based on Common Core of 14 items

Note: Percentages reflect weighted data. Bases are unweighted.

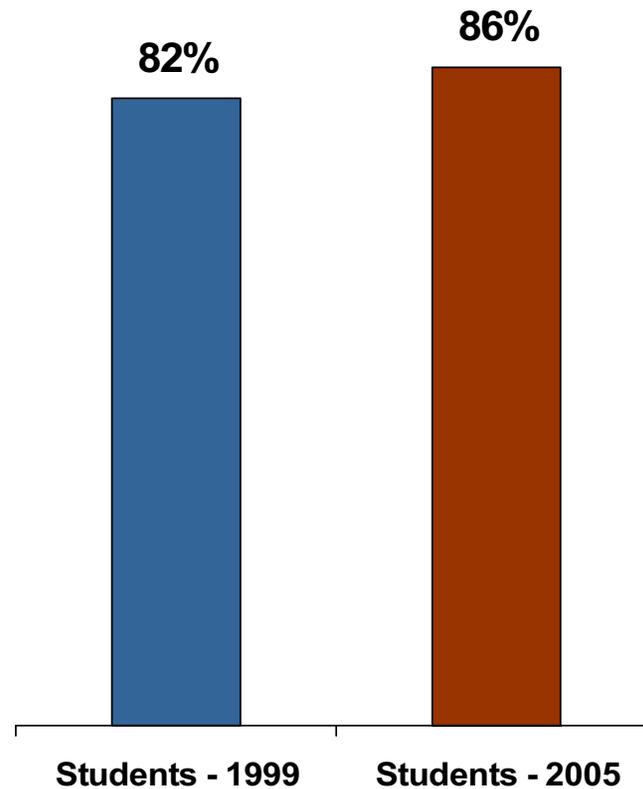
Changes Over Time: Economics & the Consumer





Students' Understanding Of Sources Of Income Has Remained Stable Over Time

For most people, the largest portion of their personal income comes from:
Wages and salaries from their jobs.



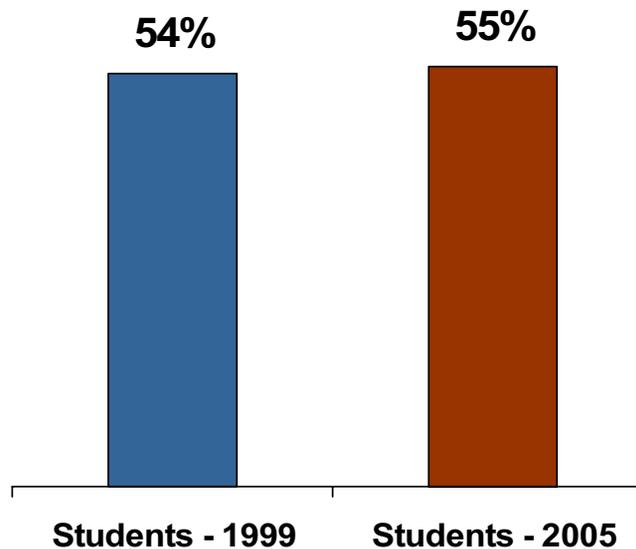
Q600 Base: All Respondents





Students' Understanding Of Who Benefits From Voluntary Transactions Has Remained Stable Over Time

When a person rents an apartment, who benefits from the transaction?
Both the person renting the apartment and the landlord.



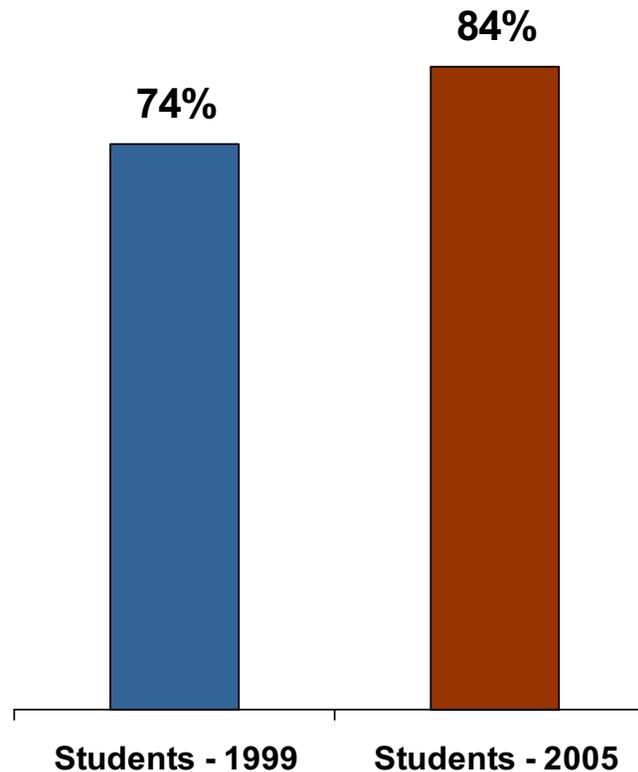
Q605 Base: All Respondents





Students' Understanding Of Decision Making In Purchases Has Increased

When deciding which of two items to purchase, one should always:
Choose an item after comparing the costs and benefits of both items.



Q610 Base: All Respondents

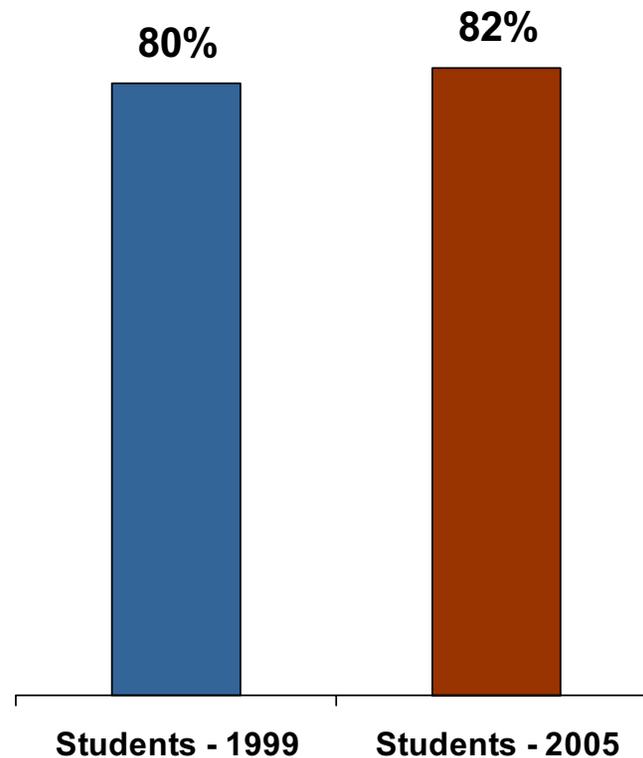




Students' Understanding Of The Relationship Between A Change In The Price Of A Good And The Demand For A Substituted Good Has Remained Stable Over Time

If the price of beef doubled and the price of poultry stayed the same, people would most likely buy:

More poultry and less beef.



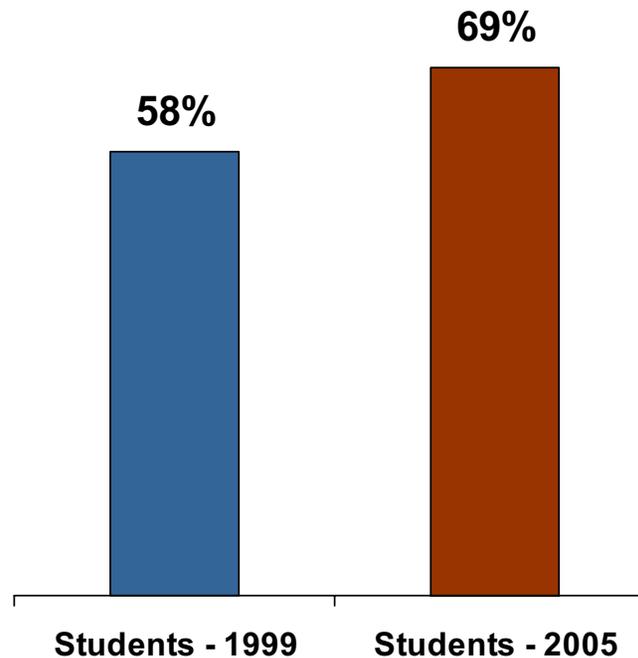
Q620 Base: All Respondents





Students' Understanding Of The Relationship Between A Change In Demand For A Good And Its Price Has Increased

The manufacturers of "XYZ" winter sportswear have their manufacturing plants running night and day, but they are unable to produce enough sportswear to satisfy demand. If "XYZ" manufacturers cannot increase production and demand continues to increase, the price of "XYZ" winter sportswear will:
Increase.



Q660 Base: All Respondents



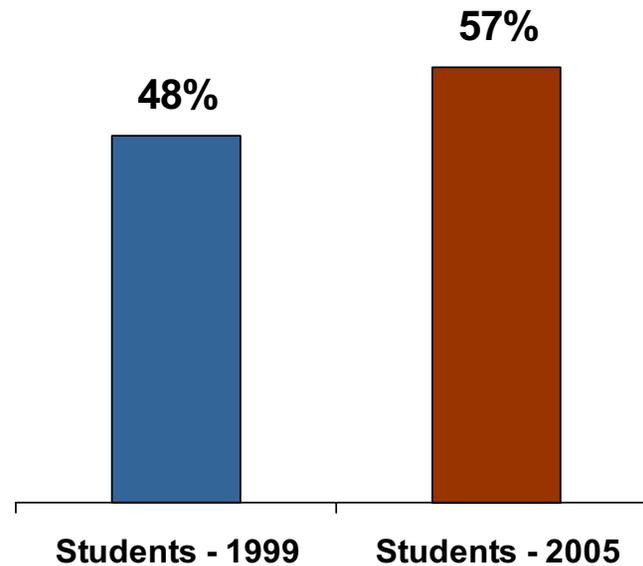
Changes Over Time: Factors Pertaining to Production





Students' Understanding Of The Determinants Of Production Has Increased

In the United States, who determines what goods and services should be produced?
Producers, consumers and government.



Q615 Base: All Respondents

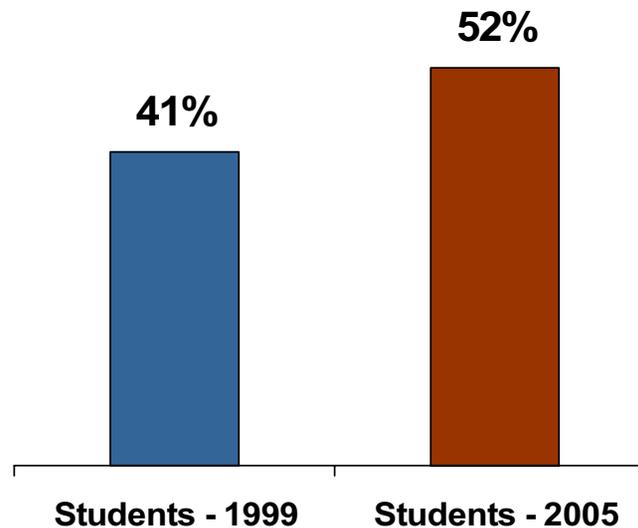




Students' Understanding Of The Concept Of Scarcity Has Improved

Since the resources used in the production of goods and services are limited, society must:

Make choices about how to use resources.



Q625 Base: All Respondents

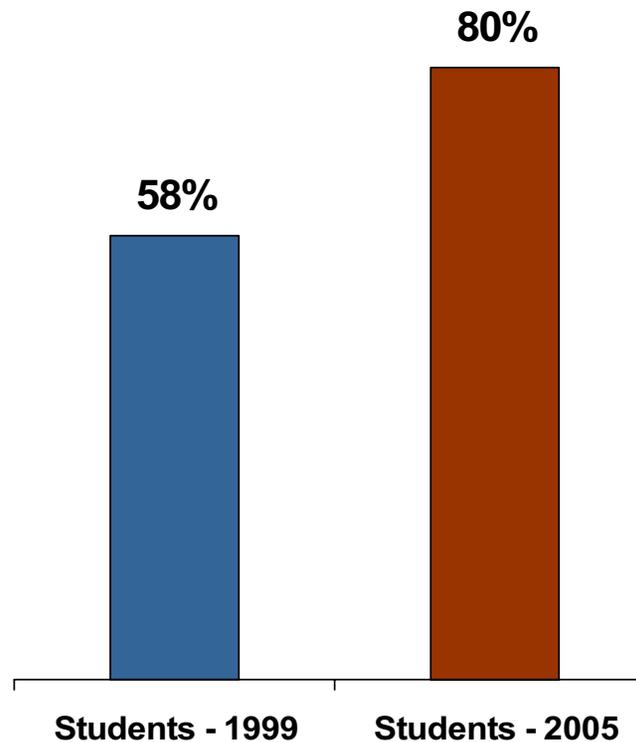




Students' Familiarity With The Term "Entrepreneur" Has Increased

A person who starts a business to produce a new product in the marketplace is known as:

An entrepreneur.



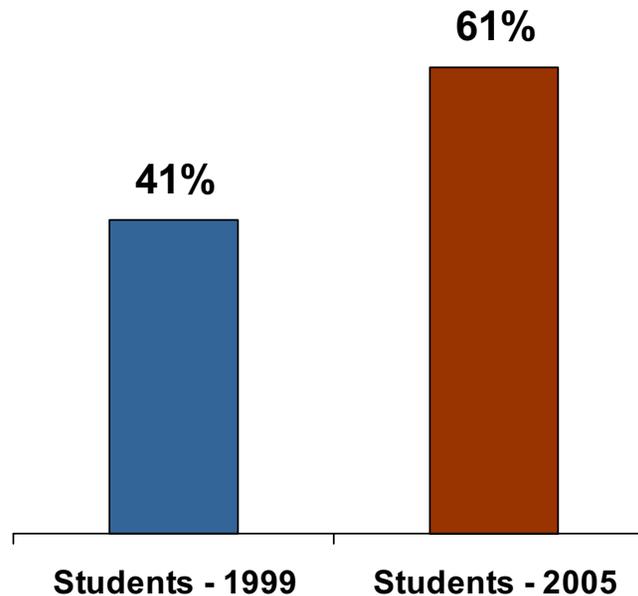
Q655 Base: All Respondents





Students' Knowledge Of What Accelerates Innovation In The Computer Industry Has Increased

Which of the following would be most likely to accelerate innovation in the computer industry?
Investing in more research and development in the computer industry.



Q675 Base: All Respondents



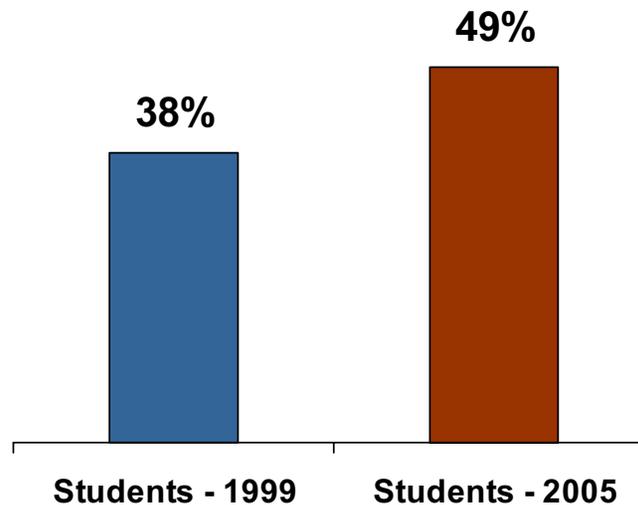
Changes Over Time: Money, Interest Rates and Inflation





Students' Understanding Of The Purpose Of The Stock Market Has Improved

The stock market is an example of an institution within our economy that exists to help people achieve their economic goals. The existence of the stock market:
Brings people who want to buy stocks together with those who want to sell stocks.



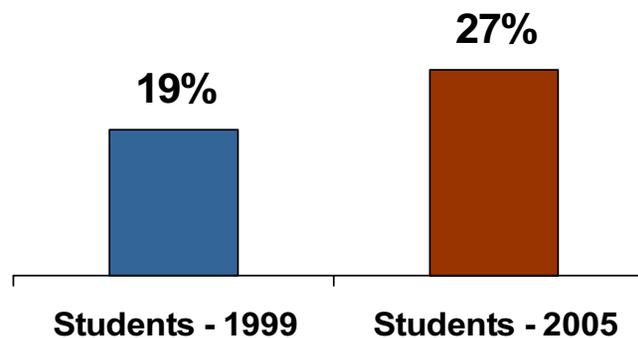
Q640 Base: All Respondents





Students' Understanding Of Who Benefits During Times Of Inflation Remains Low

Which of the following are most likely to be helped by inflation?
People who borrowed money at a fixed rate of interest.



Q665 Base: All Respondents



Changes Over Time: Government and Trade in Economics

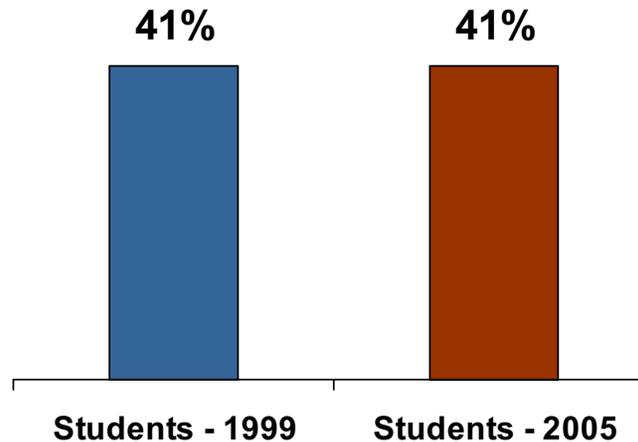




Students' Understanding Of The Impact Of A Price Ceiling On The Quantity Supplied Has Not Changed

If your city government sets a maximum amount landlords can charge in rent, what is the most likely result?

There will be fewer apartments available than people want to rent.



Q670 Base: All Respondents

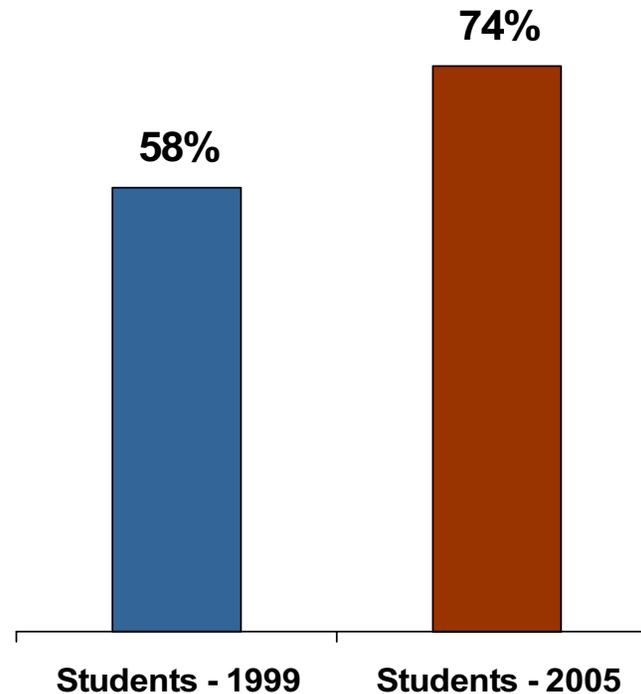




Students' Understanding Of The Limitations On Trade Has Increased

If the United States stopped importing automobiles from Country X, who would be most likely to benefit?

Automobile manufacturers in the United States.



Q685 Base: All Respondents

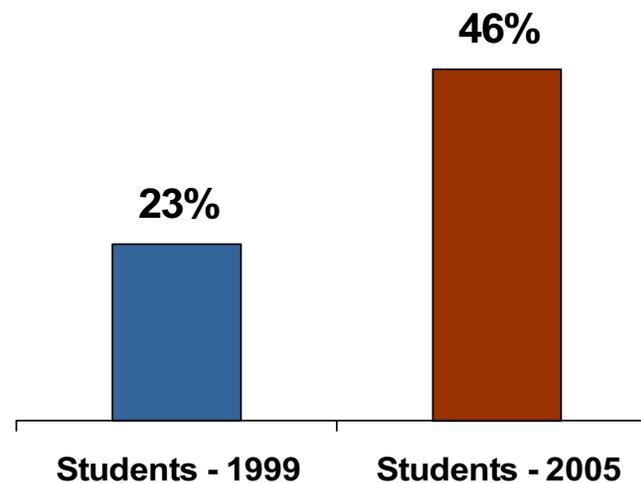




Twice As Many Students Today Than In 1999 Can Define “Budget Deficit”

When the federal government’s expenditures for a year are greater than its revenue for that year, the difference is known as:

A budget deficit.



Q695 Base: All Respondents



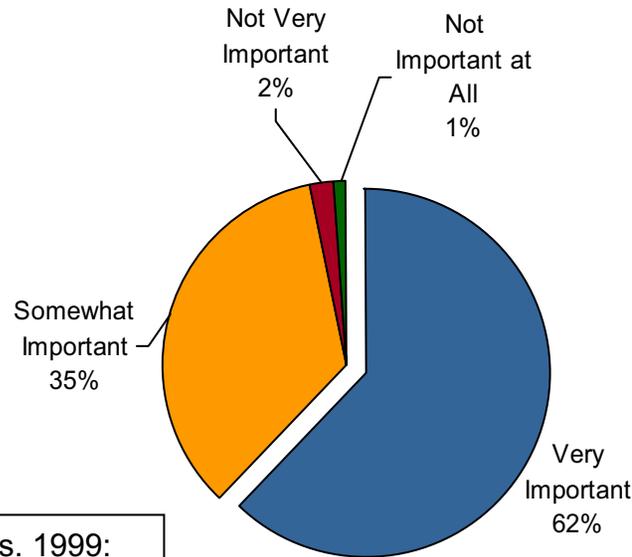
Attitudes and Experiences Related to Economics



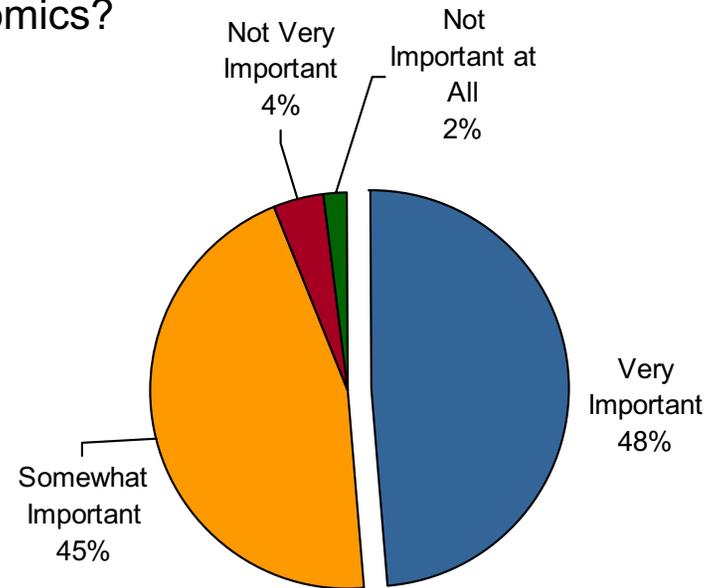


Almost Every Adult And Student Believes It Is Important For The People Of The United States To Understand Economics

How important do you think it is for the people of the United States to have a good understanding of economics?



Adults



Students

2005 vs. 1999: Importance of Americans understanding economics has remained high and unchanged for students and adults.

Very/Somewhat Important: Adults = 97% Students = 93%

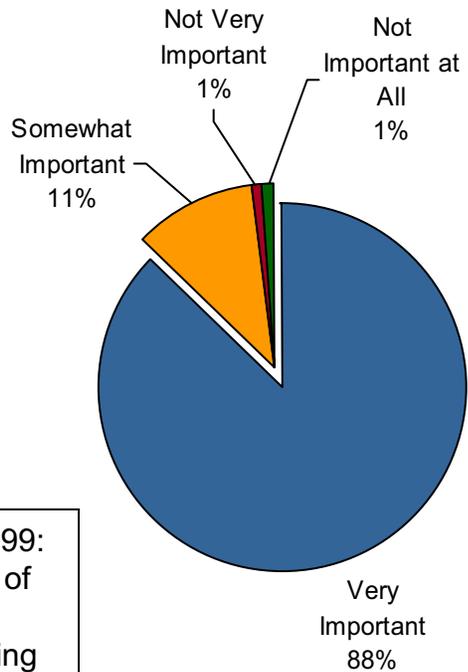
Q415/535 Base: All Respondents



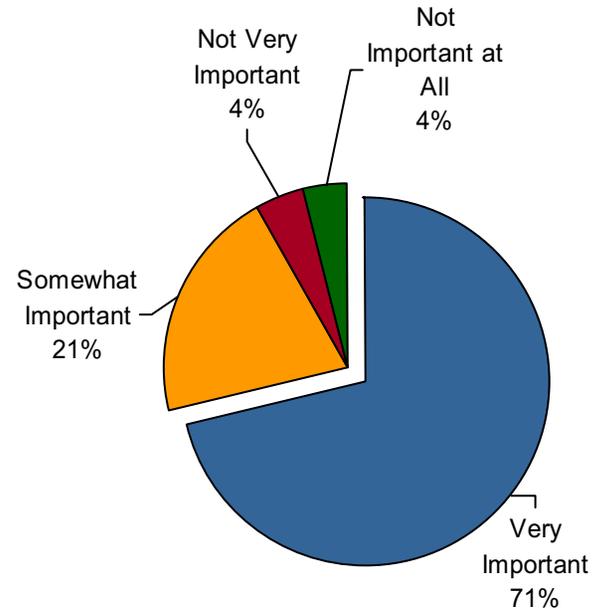


Almost Every Adult And Student Believes It Is Important For Politicians To Understand Economics

How important do you think it is for politicians to have a good understanding of economics?



Adults



Students

2005 vs. 1999: Importance of politicians understanding economics has remained high and unchanged for students and adults.

Very/Somewhat Important: Adults = 99% Students = 92%

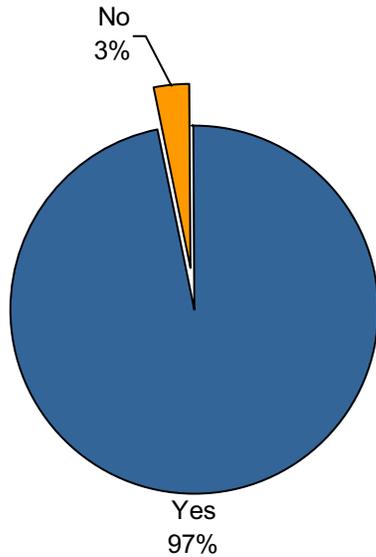
Q410/530 Base: All Respondents



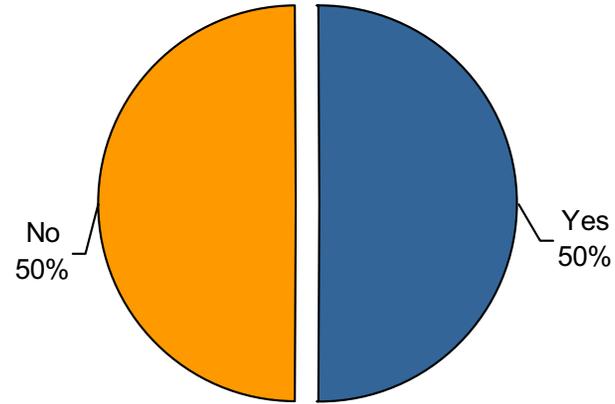


Almost Every Adult Believes That Students Should Be Taught Economics In High School; Only Half Of The Students Have Been Taught Economics

Adults: Do you think basic economics should be included in high school education, or not?
Students: Have you ever been taught economics in school?



Adults



Students

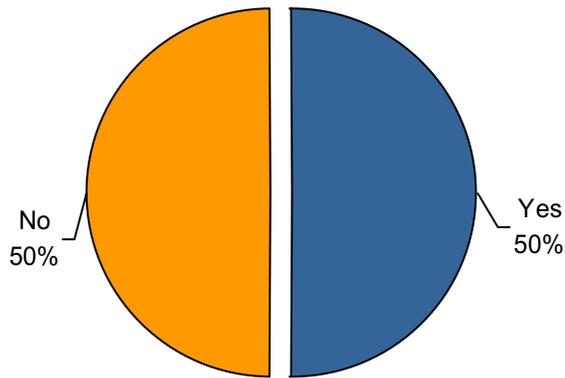
2005 vs. 1999: Fewer students report being taught economics in school (50% vs. 59%)

Q420/540 Base: All Respondents

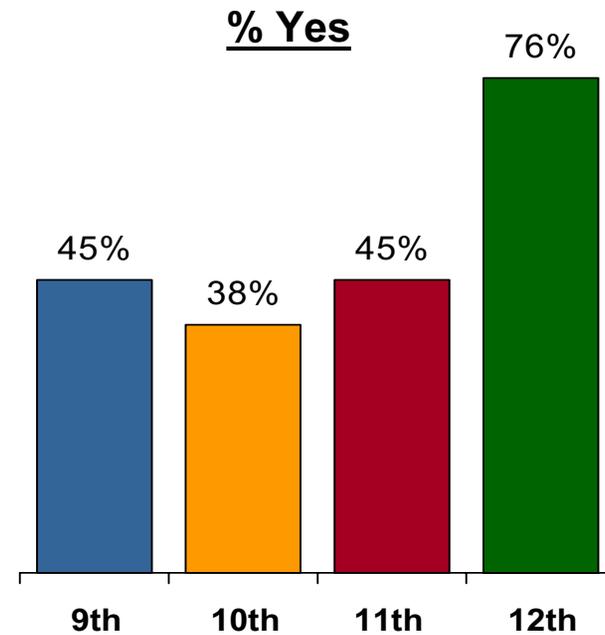


By 12th Grade, Three-quarters Of Students Say They Have Been Taught Some Economics

Students: Have you ever been taught economics in school?



All students



Grade in school

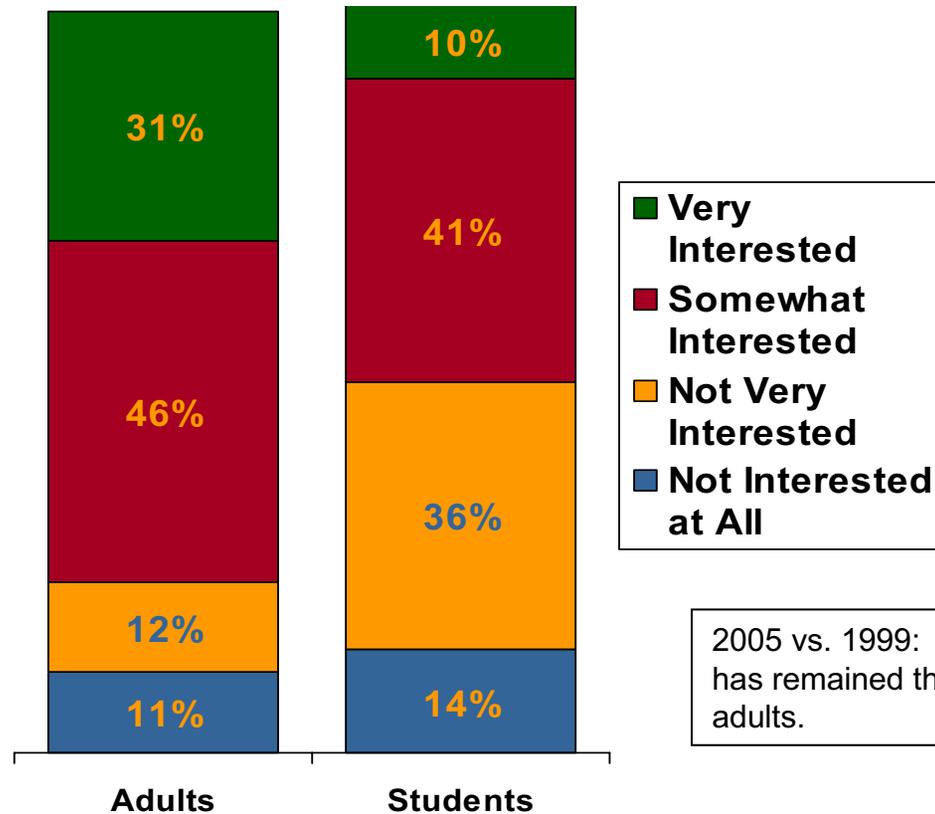
Q540 Base: All Students





Three Out Of Four Adults And Half Of Students Are Interested In Economics

How interested are you in economics?



2005 vs. 1999: Interest in economics has remained the same for students and adults.

Very/Somewhat Interested: Adults = 77% Students = 51%

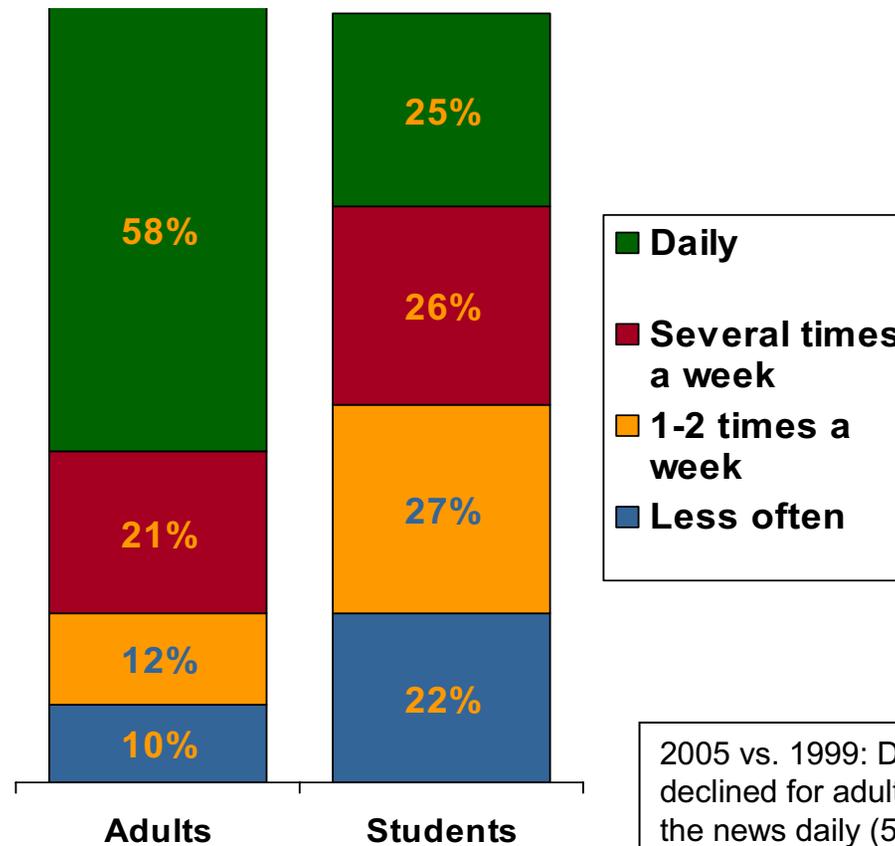
Q405 3/525 Base: All Respondents





More Than Twice As Many Adults As Students Watch The News Daily

How often do you watch the news?

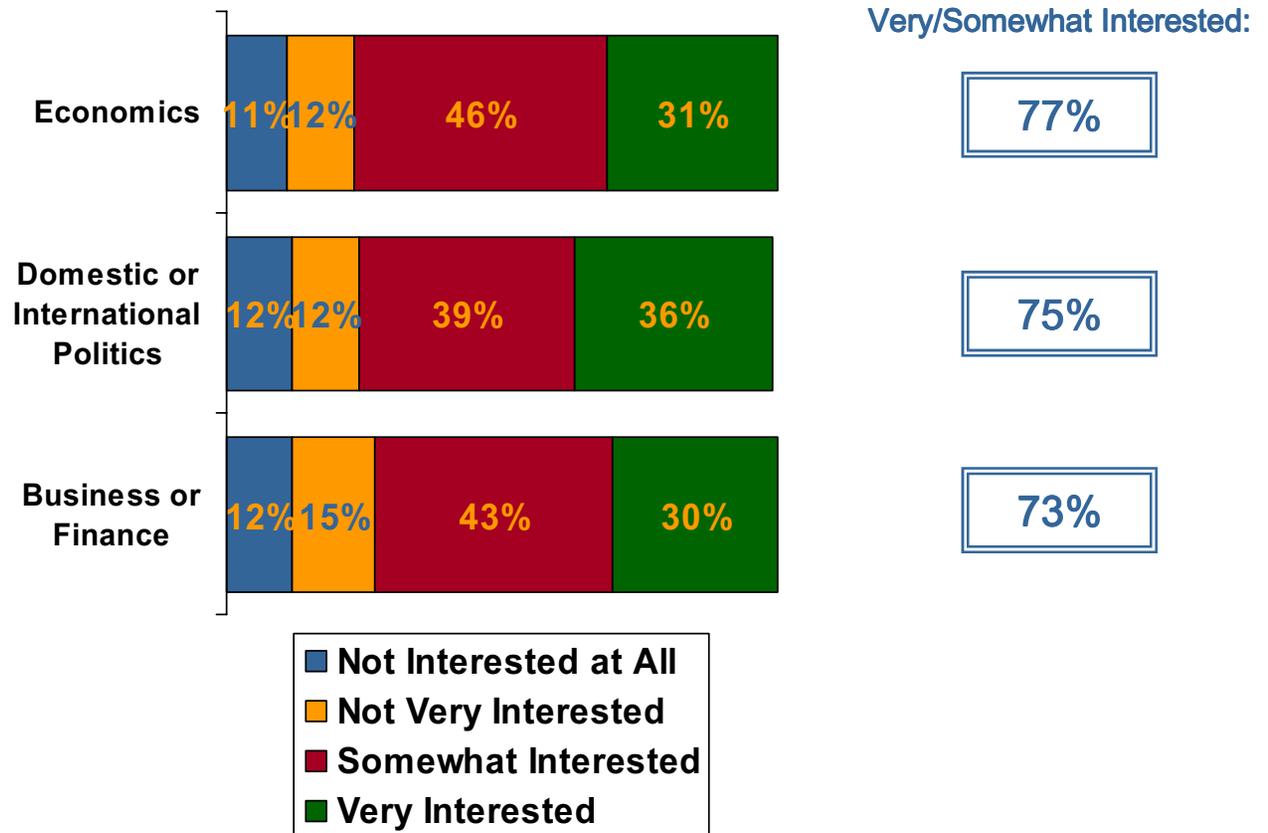


Q400 3/510 Base: All Respondents



Adults' Interest In Economics Is Comparable To Their Interest In Politics Or Business

How interested are you in...?



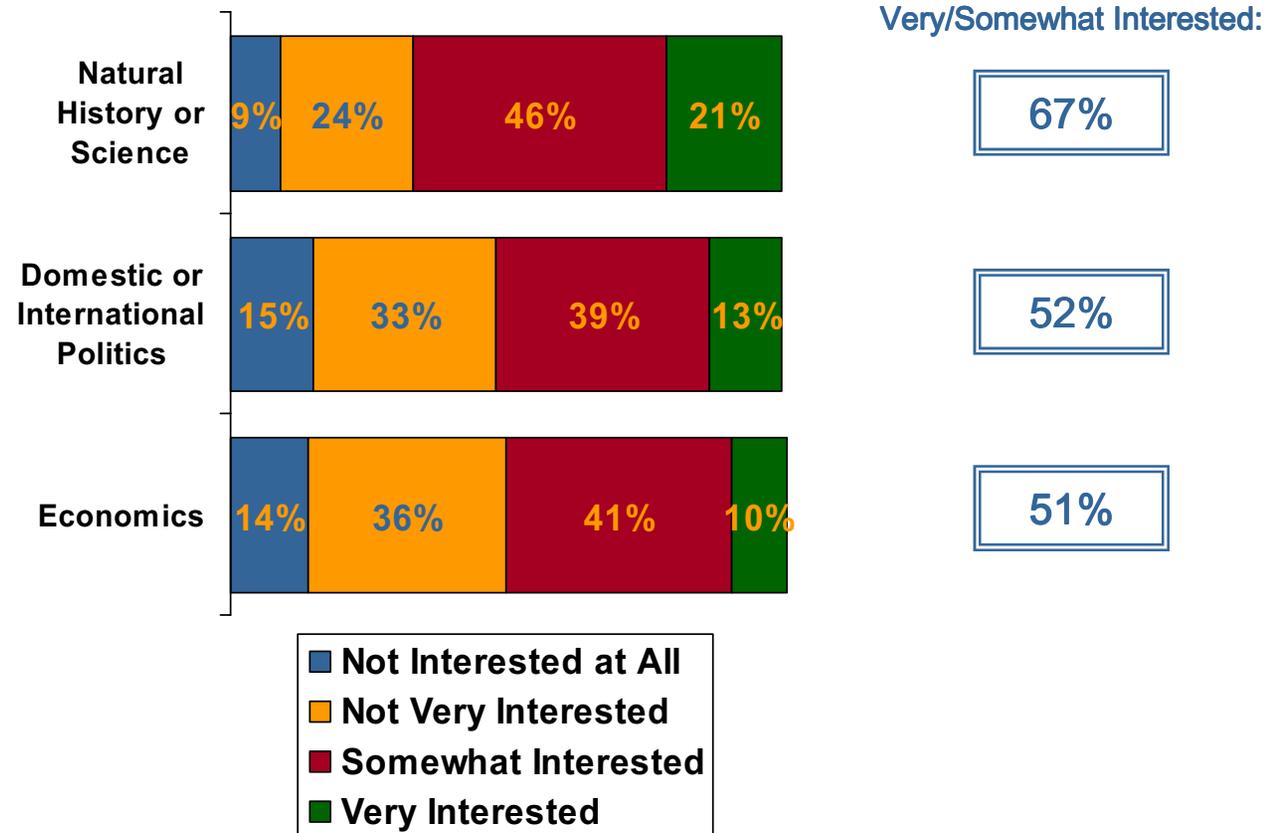
Q405/ 1,2 & 3 Base: All Adults





Students Are More Interested In Natural History Or Science Than In Politics Or Economics

How interested are you in...?



2005 vs. 1999:
Student interest in domestic/international politics has increased (52% vs. 41%).

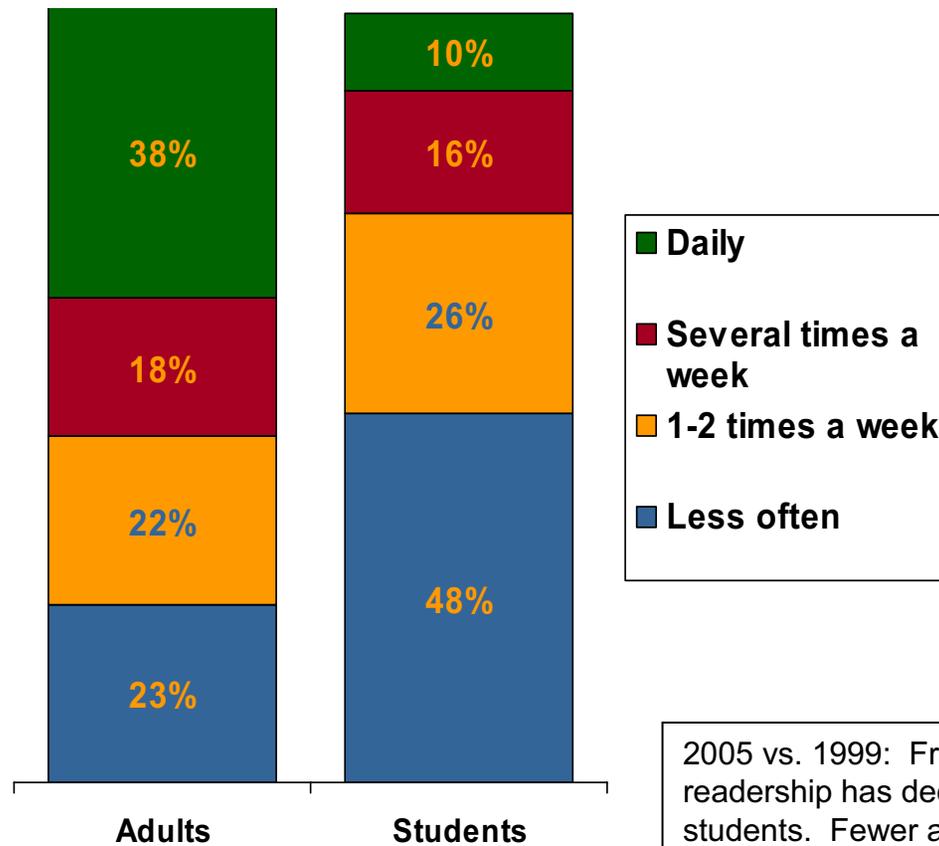
Q515, 520 & 525 Base: All Students





Four In Ten Adults Read The Newspaper Daily, But Half Of Students Read The Newspaper Less Than Once A Week

How often do you read a newspaper?



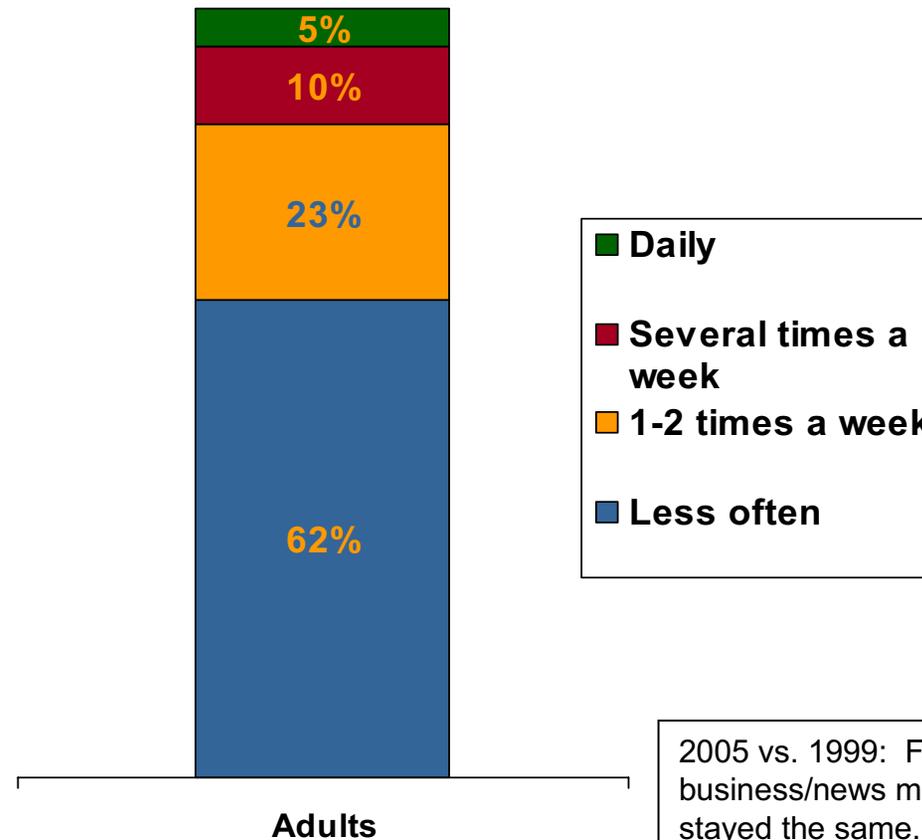
2005 vs. 1999: Frequency of newspaper readership has declined for adults and students. Fewer adults read the newspaper daily (38% vs. 49%) and more students read the newspaper less than once a week (48% vs. 33%).

Q400 1/505 Base: All Respondents



Most Adults Read A Business Or News Magazine Less Often Than Once A Week

How often do you read a business or news magazine?



Q400 2 Base: All Respondents





National Council on Economic Education



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