

# How Teacher Educators Can Address Our Nation's Financial Crisis

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This article from Ashland University reports on what one university, well known for its Teacher Education programs, is doing in an economically depressed state to address our country's financial crisis. Ohio has mandated that financial literacy be taught in high schools by 2010. Reported herein is what is being done to prepare teachers for this responsibility. Support for this effort comes from nine university-based Economic Centers, the Treasurer of the State, and from several foundations and community agencies. The role of the school is being expanded to include instruction in financial management, in hopes of reversing some very negative trends.

## Introduction

Our nation is in financial crisis today. Our public schools have been in different types of crises since the 1980s (Sikula, 1990). With schooling becoming more focused upon traditional subject matter areas and more standardized and state and nationally-normed testing, it seems that some practical skills like how to live within your means, how to stretch a dollar, how to balance a checkbook, how to develop a budget, and how to develop financial self-discipline and delayed gratification are subjects of little attention in schools today.

We witness monthly increased car, home, boat and other possession foreclosures. Quick cash stores are multiplying. Our national debt is skyrocketing, and our young people are following poor examples of fiscal restraint all around them. What is being done to address these types of issues, especially while students are in their formative years? Reported herein is what one state with a particularly bad economy is doing

to address the downward spiral of economic loss increasingly evident in American society today.

## The Problems in Ohio

Ohio is in the rust belt where manufacturing has declined and young people are leaving for greener pastures. Since 2001, Ohio has lost over 200,000 manufacturing jobs. Home foreclosures, predatory lending, personal bankruptcies and excessive credit card debt are soaring. Ohio's national rank in growth in personal income is 46th. Home foreclosures during the second quarter of 2008 were up nearly 21% from the first quarter, and up 27% from the second quarter of 2007. This translates into one of every 134 households (6th in the US). The state budget contained tax revenues in 2008 that were \$49.4 million less than in 2007 (Hamilton, 2008).

These problems are particularly pervasive in northern Ohio. The literature is filled with descriptions of this crisis. Realizing the magnitude of the problems, the Ohio Council on Economic Education, the Ohio Treasurer and the

Ohio Department of Education have partnered to focus upon the crisis and to make personal finance education the subject of major attention for Ohio's school districts. This reporting provides background and some detail about how forces have joined in Ohio to address the situation, and how one university, Ashland University, has lead the way working with teachers, teacher educators, school administrators and others to directly confront the problems.

### **The Legislative Approach**

Amended Substitute Senate Bill 311 was passed in Ohio in 2007 requiring that financial literacy be taught in all schools by the year 2010. All Ohio high schools, beginning with students entering ninth grade for the first time after July 1, 2010, must integrate the study of financial literacy and economics into required social studies academic content standards. The legislation did not:

- specify how instruction was to be delivered;
- identify who was to teach the content;
- require schools to teach financial literacy at a specific grade level;
- mandate inclusion within an existing course;
- prohibit the creation of a stand-alone course (State Board, p. 3).

Basically, implementation logistics were reserved for school districts to determine for themselves. Despite the mandate, many school districts did not know where or how to begin. They looked for leadership from universities.

### **University Leadership**

Ohio has nine university-related regional Centers for Economic Education. These centers consult with school districts on many fronts, including how to integrate financial literacy into school curricula. These centers are located throughout Ohio, with activities coordinated by the Ohio Council on Economic Education and encouraged and supported by the Ohio Treas-

urer of State, Richard Cordray, who has begun a "Schools Investing in Our Future" awards recognition for school districts that implement a systematic program of personal finance education (Cordray, 2008). The end result is to expand the development of students capable of managing their own affairs in an increasingly complex financial world.

For the last two years, Teacher Academies have been coordinated by Ashland University and held to prepare teachers of all types to introduce financial literacy content into school curricula. The Treasurer of State is encouraging the development of systematic programs of personal finance education in school districts by proposing that they:

- develop written policies supported by boards of education to address personal finance education.
- implement personal finance curricula at all primary, middle and secondary levels.
- involve the community as speakers, with internships and field trips.
- support personnel to participate in Teacher Academies and ongoing professional development.
- complete an evaluative summary on their personal finance program (Cordray, 2008, p. 3).

### **The Ashland University Gill Center**

Three of the nine regional Centers for Economic Education in Ohio are now part of Ashland University. They are key elements in Ashland University's Professional Development Services (PDS) Program, the largest program of its kind in Ohio. The Ashland University PDS provides inservice to over 21,000 participants yearly in all 88 of Ohio's counties. Last year approximately 4,000 graduate credit workshops were conducted throughout the state, working with about half of the 612 school districts in a variety of content areas on the Ashland University main campus

and with Professional Development Directors and Economic Education Directors at four of Ashland University's Regional Centers in Cleveland, Columbus, Elyria, and Massillon.

Ashland's Professional Development Services Program is housed in the Gill Center. The Gill Center for Business and Economic Education was established in 1979, with monies provided by benefactor Harry R. Gill, Sr., a local businessman and civic leader. Since then it has grown tremendously. In July of 2008, the Central Ohio Center on Economic Education, located for years at the Ohio State University, moved to the Columbus Regional Center of Ashland University. Previously in 2006, EconomicsAmerica, one of the nine Economic Education Centers located for years at John Carroll University in northern Ohio, moved to the Cleveland Regional Center of Ashland University. These three centers now operate together along the Route 71 corridor connecting northern and southern Ohio. In effect, Ashland University now leads Economic Education efforts in 39 of Ohio's 88 counties.

The major focus of the Gill Center during the last three years has been to prepare teachers via Teacher Academies to teach personal finance literacy in their school districts. Seven Teacher Academies were conducted in 2007, 20 in 2008, and 25 are planned for 2009. There are six major areas of study covered in these Teacher Academies. They are:

#### *Decision Making and Money*

This area covers basic economic concepts and systems, with a focus on capitalism and decision making in a free society.

#### *Working and Earning*

This area focuses upon the value of education, making intelligent career choices, and the consequences and earnings associated with staying in school.

#### *Getting Your Money's Worth*

This area deals with budgeting, spending patterns, comparative shopping and philanthropy.

#### *Credit*

The focus here is on borrowing, credit cards, credit reports, establishing and understanding credit and how to get and to lose it.

#### *Wealth Creation and Management*

Here saving, investing, leveraging, and growing your investments are the focus.

#### *Protecting Yourself*

The focus here is on fraud, bankruptcy, foreclosures, mortgaging, identify theft, and safeguarding assets.

At these Teacher Academies, "blue buckets" are provided. They are filled with curriculum materials, interactive media resources and CD-ROMs packed with lesson plans and teaching materials. Last spring and summer, 2008, some 410 teachers attended one of the 20 Teacher Academies. They came from 230 different schools across 195 districts. The vast majority were high school teachers. An on-line Teacher Academy was developed as well. This involved creating a virtual classroom through interactive discussion boards.

The Teacher Academies directly addressed the two top challenges cited by teachers in Ohio when surveyed about their approaches to teaching financial literacy. The two problems were: 1. the lack of classroom time to properly prepare to teach personal finance topics; and 2. the lack of classroom materials available (Loibl, 2006). The teachers who attended the summer Teacher Academies were awed by the resources provided. This directly addressed their primary concern in 2007 of a "shortage of appropriate teaching mate-

rial” (Rexhausen & Dubey, 2007, p. 3). The pre and post levels of knowledge of Teacher Academy participants differed significantly.

This statewide effort has attracted considerable support from foundations concerned about Ohio’s economy. Many grants to support these Teacher Academies have been received. In 2008 alone, over \$500,000 were acquired from the following foundations:

- Key Bank Foundation
- Burton D. Morgan Foundation
- Fred A. Lennon Charitable Trust
- Westfield Foundation
- Sherwick Fund
- Martha Holden Jennings Foundation
- Kent H. Smith Charitable Trust

Ashland University currently has five proposals pending for additional support. In addition, the Chambers of Commerce in several towns and other local community foundations sponsor Teacher Academies in their cities and support them with an average \$10,000 contribution. A written agreement and branding statement has been developed and signed by the Ashland University President, Fred Finks, and the Ohio Treasurer of State, Richard Cordray, to promote these academies. These Teacher Academies are becoming increasingly popular. They prepare instructors to provide personal literacy training. “Attending a Teacher Academy will not result in a license to teach financial literacy, but it will prepare a person to deliver the instruction” (State Boards, 2008, p. 7).

### **The Role of the School**

Education is by definition a process of change. To be an effective person in American society today requires a different set of skills than in the past. Schools, to be relevant, must address new subject matter. Young people in schools need to develop different skills and tools than previously to be successful and productive

as adults. Often, parents lack the wherewithal to contribute positively to the education process – sometimes creating a dangerous cycle, particularly in the arena of financial literacy. Schools can help. “Research shows that students as young as kindergarten can, and should, begin to discern the difference between ‘needs’ and ‘wants’ and develop a process for making decisions having economic impacts” (Cordray, 2008, p.3). Concepts learned in subsequent grades can help build a strong foundation in personal finance and economics. This type of learning needs to be directed in schools rather than in the home by untrained adults.

Schools in Ohio are expected under Senate Bill 311 to teach a strong knowledge of the fundamentals of economics and understanding of financial literacy and personal money management. There are three content areas of licensure in Ohio where financial literacy can fit nicely. They are social studies, family and consumer sciences, and business education.

The legislation directs schools to use available public-private partnerships and resources and materials from business, industry, and the nine Centers for Economic Education to satisfy SB 311. As long as the class remains under the responsibility of an appropriately licensed high school teacher of record, many types of skilled professionals can deliver the instruction. Bankers, certified financial planners, credit union staff, stock brokers, insurance personnel and others who work in related fields can be used to help instruct.

The role of the school in a free-market society includes equipping students with knowledge and skills needed to acquire and manage financial resources. A successful and productive life in America today requires the development of these skills. The knowledge and experience needed should be developed during a student’s formal education, rather than obtained through the school of hard knocks. Teacher educators and teach-

ers must be better trained to deliver this content. Schools and universities need to make the necessary commitments to provide financial literacy instruction among their curricular offerings.

### **The Need for More Intervention Models**

More states need to assist teachers with appropriate training and resources to address our nation's financial crisis. Currently, 28 states require that personal finance be taught. Good models, like the one in Ohio, are available to help. Schools need to develop systematic approaches and written policies to establish district-wide personal finance education programs.

What is being accomplished in Ohio needs to spread nationally. Work is being done to expand the Ohio model. A grant to the National Council on Economic Education is pending. The grant would support a formal survey of all Ohio school districts to determine how each is answering the call to include financial literacy in the requirements for high school graduation by the year 2010. The survey would provide information that could be used to report back to the sponsors of the legislation. The grant also could help in disseminating valuable information to people in other states with similar circumstances.

### **Conclusion**

Our nation's financial crisis needs to be better addressed by our schools, colleges and universities. Teachers and teacher educators need to lead the way in addressing basic financial literacy problems in our schools and society. Some promising and best practices are emerging. In Ohio, where the situation is particularly dire, there has developed a model which is worthy of examination and possible replication, with appropriate adjustments, elsewhere. Now is the time for teacher educators to step forward and to address the development of similar practical skills programs.

Readers wanting more information are encouraged to examine the following websites:

- <http://ncee.net/resources/>
- [www.ocee.org](http://www.ocee.org)
- [www.ode.state.oh.us](http://www.ode.state.oh.us), keywords Financial Literacy
- [www.yourmoneynowonline.org](http://www.yourmoneynowonline.org)
- [www.ashland.edu/gill/econam/](http://www.ashland.edu/gill/econam/)

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### **Author's Note**

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