

ECONOMIC LITERACY OF SENIOR SECONDARY SCHOOL TEACHERS: A FIELD STUDY

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The prime purpose of the paper was to explore the status of economic literacy amongst the senior secondary school teachers in Varanasi. . To find out the status of economic literacy of senior secondary school teachers the 'Economic literacy test' developed by researcher was administered. Taking cognizance of the nature of sample, 'Incidental sampling technique' was used. On the one hand sample was Incidental and on the other hand it was purposive as it served the purpose of the study. U.P. board and CBSE affiliated schools were considered for data collection. The study found that teachers, particularly senior secondary school teachers, had relatively low levels of initial economic literacy. The degree of economic literacy was found to vary across sex, school boards, and the previous formal economics instruction.

INTRODUCTION

Economic literacy is the working knowledge and understanding of basic economic concepts and theories. In today's market-based and global economy simply literate is not enough,. Time needs and demand for economically literate individuals who are able to generate big profit by taking right decisions at the right point of time. Economic literacy is only for business is not true. It has equal importance for democracy. Public can understand government policies in a better way and we could avoid situations like conflict on FDI matter. Economic literacy develops visions, views, and opinion regarding economic issues among public and as a voter now they can vote right person for the right reasons instead of his/her face value. Finally and most importantly, we all are consumers so we should be economic literate to save our limited resources. Country like India, where rapid economic changes takes place for capturing major share of the market and

striving to remain competitive in the world economy, possession of economic literacy becomes highly beneficial and essential at any cost. Economic literacy may sound a bit of new idea for us while our many foreign counterparts especially America have plenty of researches and articles on 'economic literacy' and many more are in line. The American Economic Association, through its Committee on Economic Education, is working with the National Council on Economic Education since the 1950s to promote teaching of economics at all educational level but pay special attention at the K-12 level. Economic literacy is very important because it measures how an individual understands economic knowledge that gives push towards quality of life. Individual who have ignorance towards economic literacy will grow up as an adult who do not know how to manage their own money, may get involved in heavy debt, and having problems in her/his career (Harris 2009). Besides that, that individual will become an incompetent consumer, investor, voter, and citizen who will not make a sound decision especially when many options are available. Research conducted by Harris (2009) with NCEE also showed that nearly two third of respondents did not understand about money and inflation terminology. About 54% did not understand the relationship between money and deficit budget and 35% did not understand about making decision related to limited resources. In India, a survey conducted by ASSOCHAM, in 2008, on 258 faculty members of MBA programmes in India found that most professors did not know basic facts about the national and global economy. 89% teachers were unable to tell the GDP growth rate scaled by the Indian economy. It is quite serious problem and challenge before the teachers, parents, and teacher educators. This finding has raised great concern amongst academicians and economists about how feeble state of economic literacy in our society, while in today's global economy economic literacy is the decisive because it enables an individual to manage his/her personal and family economic matters efficiently and independently and ensure optimum utilisation of limited resources. Enduring purpose of economics education in

all over the world is to prepare individuals who are: responsible citizens, productive members of the society, knowledgeable consumers, prudent savers and investors, and intelligent decision-makers.

Innovations in present economic world takes place that demand every individual have competency in making decisions and choices, which needs accurate understanding and exact evaluation of situations. To promote awareness and importance of economics and economic literacy there should have been intensive and continuous efforts (Aziz 2004). In recent years, there has been increasing interest in teaching economics at the precollege level. In addition, more student and teacher materials have been prepared for use in separate economics courses or for “infusion” into other social studies and business courses/ commerce (Walstad & Soper 1988). Almost every state, central, and other boards in India has included economics as a significant part of social sciences at high school level and as a discipline at senior secondary level. Despite recent emphasis on economics instruction, there are surprisingly almost no researches found on teacher’s economic literacy at the senior secondary level while teachers play very important role in teaching-learning activity as well as they prepare future citizens. This is the prime reason why this study came in to existence.

WHAT IS ECONOMIC LITERACY?

Economic literacy is the ability to use basic economic concepts to make decisions about earning, saving, spending, and sharing money. As with reading and writing, a working knowledge of basic economic concepts is essential for future success (<http://www.girlsinc.org/about/programs/economic-literacy.html>). Organization for Economic Literacy (OEL) asserts that economic literacy encompasses not only the understanding of basic economic terminology and facts but also the critical thinking skills that underpin the economic way of thinking. True economic literacy

develops the ability to apply knowledge and **recognise** potential unintended consequences of an action or policy (<http://www.econliteracy.org/>). In simple words, 'economic literacy' involves knowing and applying fundamental economic theories in order to make rational decisions about the use of limited resources (Banaszak 1987). Economic literacy is defined as the understanding and application of basic economic concepts to real-life situations (not just classroom based) (Salemi 2005). Thus, in common parlance economic literacy is the knowledge and understanding of basic economic concepts and principles, practical aspect of economics knowledge that is obtained in the classroom.

LITERATURE REVIEW

Significant literature exists on student learning at the elementary and high school (secondary) levels, but surprisingly small number of studies have been conducted on the economic literacy and learning behaviour of in-service K-12 teachers. This is true even in light of recent inquiries regarding teacher's aptitude and quality by economists (Angrist & Guryan 2004 and Hoxby & Lee 2004). The National Council on Economic Education (NCEE 2008) advocates the development of economic literacy of teachers and students. When teachers have the skills and to exercise curriculum effectively, they can prepare students to act as intelligent and economically literate individuals at school and in society (Agnello 2001; 2007). A moral perspective on economic literacy demand participation of pre-service teachers in discussion about economic inequities and policies that sustain and promote the great wealth and health of the economy. Economic literacy is important because teachers as consumers are facing the problem of making choices in the market (Yunus, Ishak, & Jalil 2010). National Assessment of Economic Education (NAEE) survey, was completed in 1987 by the Joint Council on Economic Education. The results of the study indicate that (a) state mandates do have a negative impact on teacher attitudes, (b) teacher attitudes do have a direct relationship with student learning, and (c) increased economic

education and training for teachers may have a positive effect on teacher attitudes and this effect in return may improve student's performance. Dills & Placone (2008) found that better teacher knowledge consistently improves student's learning and teacher's knowledge of economics. Several other authors have reported on the effect of the teacher's economic training on classroom performance of students (Walstad 1980; Greenfield 1982; Chizmar & Halinski 1983; Schober 1984). Marlin, (1991) found that low enthusiasm of teacher negatively affect student's achievement. However, economics education studies still show little concern about what content should be taught at the university and high school levels and about those teachers who teach economics have any training in economics or not (France, Summary, & Vasegh, 1989; Markow & Bagnaschi 2005; Soper & Walstad 1988a, b). Students in classes taught by teachers who have more training in economics, who spend more time on teaching economics and using good materials learn more economics. This finding has been reported in a wide range of studies, conducted in different countries and at different grade levels (including elementary, middle school, and secondary classes). (Allgood & Walstad 1999; Bosshardt & Watts 1994; Buckles & Freeman 1984; Walstad & Soper 1988; Lopus & Maxwell 1994; Sosin, Dick, & Reiser 1997; Walstad 2001 and 2002; Walstad & Rebeck 2001a and 2001b; Walstad & Soper 1989 and 1991; and Watts 1985, 1986, and 1987a). Maximum studies consider teacher's economic literacy as a means to increases students' economic literacy. It is true but teacher's economic literacy is equally important and essential for self as a responsible citizen of the country.

RATIONALE OF THE STUDY

In this study, researchers have tried to find out the actual state of economic literacy of teachers who play pivotal role in knowledge transformation process. The rationale behind studying senior secondary school teacher's economic literacy based on the notion of a "chain reaction" which means teacher-enhancement leads

student-enhancement actions. In their classrooms, these teachers will transmit economic knowledge to their students, thereby changing student achievement and opinions (Schober,1984). As per the literature review teacher's knowledge, attitude, personality, instruction style and so on directly affect student's performance that is why taking teachers as a sample for this study is quite justified. The health of the economy has a profound effect on our lives. Every individual as a part of economy faces many economic problems in his/ her daily routine. Hence, it is important for every individual to have enough knowledge and understanding of basic economics to make intelligent economic decisions. The rapid development of economic market causes individuals to face situation whereby they have to make the right and smart decision. Various choices of products and services in the market allow tough competition amongst the producers. Consumers' main conflict in making choices are found in cases where there is inadequate knowledge especially regarding economics. Long list of completed researches available regarding cause and effect on individuals who are economically illiterate (Walsh & Mitchell 2005). [Stern \(2002\)](#) said in annual meeting of the Georgia Council on Economic Education, when citizens in the role of consumers, business people, elected officials, investors, policymakers and so on, are economically and financially literate, economy performs in a better way than before. Because now its participants are well-informed and they are able to make decisions that enhances resource allocation in a better way which contribute to rising efficiency, productivity, and living standards. Problems of making decisions with limited resource need expertise on means and methods to manage money effectively taking into consideration the current economic situations. Besides that, this research is aimed to give intrinsic motivation to teachers to increase knowledge about latest economic matters. Teachers as adults are supposed to take initiative to improve economic literacy by print or electronic media. Teachers may raise awareness and economic literacy among the

society through students (future citizen). Schools are responsible to shape students all round development, i.e., intellectual, physiological, emotional, and economical. Hence, this study has tried to find out the actual state of economic literacy of teachers.

OBJECTIVES OF THE STUDY

1. To find out the actual state of economic literacy of senior secondary school teachers.
2. To find out the economic literacy of senior secondary school teachers with reference to certain demographical variables, such as sex, type of school board in which they work.
3. To find out the significance of the difference between mean economic literacy of teachers who studied economics as formal course and who did not study economics as formal course at any level of education.

HYPOTHESES

There is no significant difference between mean economic literacy score with reference to their: i) Sex (ii) type of school board (CBSE & UP), and (iii) economics studied as a formal course.

METHODOLOGY

By its nature, present study is a descriptive study. In this study, survey method was used to collect the data.

Population

Population of the present study consisted of all senior secondary school teachers who are providing service in different schools affiliated by CBSE and UP boards of Varanasi city.

Sample and sampling technique

Taking cognizance of the nature of sample, '*Incidental sampling technique*' was used. On the one hand, sample was incidental and on the other hand it was purposive as it served the purpose of

the study. U.P. board and CBSE affiliated schools was considered for data collection. In view of the objective to investigate the economic literacy of senior secondary school teachers, it was decided to draw the sample from various senior secondary schools situated in Varanasi city. The sample consisted of 153 senior secondary school teachers. Out of 153 teachers 55 belonged to CBSE and rest, 53 were from UP board. .

Tool used

Economic literacy test (ELT) was developed and standardised by the researchers for fulfilling the previously mentioned objectives. There were 50 multiple choice items in the economic literacy test in which questions covered main branches of economics, i.e., microeconomics, macroeconomics, and international trade system. The ELT was found highly reliable and valid for the purpose of this study.

FINDINGS

The overall average economic literacy score among senior secondary school teachers was 60.86 per cent (mean was 30.43) with the minimum score 24 per cent (12 questions out of 50 questions) and maximum of 96 per cent (48 questions out of 50 questions). Result reveal that the senior secondary school teachers possess average level of economic literacy. 51.09 per cent of the total teachers scored below the average score. Only two teachers gave all right answers. This is the actual state of economic literacy of teachers who were highly educated and had long experience of teaching economics and other social science subjects. Therefore we can easily imagine status of economic literacy among students of these teachers. These findings reflect most of the teachers are not update with relevant scenario still they taught only definitions of the concepts and theories that's all. This is the alarming situation. There is significant difference between female and male teachers on economic literacy test score ($t = 2.03$). The observation of means between male and female senior secondary school teachers

indicated that the mean score of male teachers (mean =31.86) was higher than that of female teachers (mean=27.56). It is concluded that male teachers have better economic literacy than their female counterparts. Thus, rejecting the null hypothesis, it is inferred that, there is significant difference between male and female teachers in economic literacy. There is significant difference between CBSE and UP board senior secondary school teachers on economic literacy test score ($t =3.26$). The mean score of CBSE board teachers (mean=27.21) is higher than that of UP board teachers (mean=33.53). It is concluded that CBSE board teachers have better economic literacy than UP board teachers. Thus, rejecting the null hypothesis, it is inferred that, there is significant difference between economic literacy of CBSE and UP board teachers. There is significant difference found between senior secondary school teachers who studied economics and who did not study economics at all on economic literacy test score ($t =3.73$). The mean score of teachers who studied economics (mean=32.79) was higher than that of teachers who did not study economics at all (mean=25.06). It is concluded that teachers who studied economics have better economic literacy than teachers who did not studied economics at any level of studies. Thus, rejecting the null hypothesis, it is inferred that, there is significant difference between senior secondary school teachers who studied economics and who did not study economics at all in their economic literacy.

DISCUSSION

Teachers are very important in knowledge transformation and teacher quality is an important input in student achievement. Results of the study reveal that much emphasis has been placed on improving teacher's economic literacy and there is need to equip teachers with relevant materials and training and workshops on regular basis for their economics courses. A difference in the learning of economics by gender is extensive in the literature. Many studies suggest that the learning of economics is male-

dominated, particularly when multiple-choice tests are involved. The present study reveals that male teachers, overall and for the senior secondary grades performed significantly better on the ELT than did their female counterparts. Such a finding is consistent with previous studies that found gender gaps on standardised economics test scores and male students generally perform better than female students in economics literacy (Siegfried 1979, Heath 1989, Lumsden & Scott 1987, Watts & Lynch 1989, Watts 1987b). Studies at both the high school and college levels have also shown that a person's sex can influence economic understanding (Siegfried 1979). Males tend to score significantly higher than females on economics tests. The explanation based on the belief that males have a relative advantage in quantitative skills and females excel in verbal areas. Social and cultural conditioning might also contribute to score differences. However, it is not always same conversely, some studies find no difference between male and female learning of economics (Buckles & Freeman 1984; Williams, Waldauer & Duggal 1992).

Teachers who studied economics performed better on ELT than teachers who did not study economics at all. The result of the study is relevant and consistent with study done by Wood & Doyle (2005) which mean that those teachers who have taken economic as subject in high schools have more economic literacy than those who didn't. There is a significant relationship between economics education and economic literacy. This is due to those individuals who took economic courses at least once, whether at school or university levels are more knowledgeable than those who did not (Walstad 2001). The literature reveals that perhaps economics is a subject that must be "kept up with," and those economics teachers who had recently graduated from school could teach economics more effectively (Marlin 1991) and previous knowledge provides base which further help in understanding of complex economic issues and government policies and also help in taking decisions regarding situations.

In Indian set up, education is imparted by central as well as different state government. The result of the analysis showed that the economic literacy of CBSE and UP board; senior secondary school teachers are significantly different. This shows CBSE teachers of senior secondary schools are more economic literate than those of UP board senior secondary school teachers. This difference may be due to in-service training, workshop, seminars, and lectures of experts attended by teachers. We cannot definitely say that CBSE teachers avail these facilities regularly but they are in better position than UP board teachers.

CONCLUSION

This study draw the attention of related authority towards the requirement of training, workshop, and short term courses in economics for improving economic literacy of teachers who teach economics because research evidences suggest that student's learning of economics is influenced by their teachers' knowledge and academic background in economics. In addition, economic literacy is equally essential for teachers who do not teach economics because they are the educated and responsible consumers, savers, and investors of the country. Economic literacy ultimately spread out economic awareness and knowledge, which ensure development with prosperity. The result of the study was in line with what Graham, Stendardi, Myers & Graham (2002) found. They found that economically informed adult would make wise decisions regarding their saving and investment confidently. Moreover, when these adults are teachers advantage of economic literacy multiplied because teacher have onus to produce efficient, competent, and economically literate citizens. In order to have competent economic citizens, our teacher must be economically literate. Economic knowledge transmitted by economically literate teachers will bring about a change in students achievement and subsequently, students opinions regarding economics. At present, we are breathing in market-oriented global economy, which affects

our personal life in different ways e.g. fluctuation in interest rates affects our saving and investment, price hike of necessary commodities mismanage our budget, and so on but interesting part is that we neither avoid nor runaway from these situations. There is only one-way to cope up with these adverse situations and that is the 'economic literacy' . .

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