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STATEMENT
OF
JOHN R. MUNDY
OF THE
NEVADA COUNCIL ON ECONOMIC EDUCATION
TO THE
NEVADA STATE SENATE
COMMITTEE ON FINANCE

March 17, 2003

Mr. Chairman and members of the Committee, my name is John R. Mundy and I am the Executive Director of the Nevada Council on Economic Education (NVCEE). We appreciate the opportunity to submit this statement and we applaud the Committee's decision to consider a state match to "The Excellence in Economic Education (EEE) Act of 2001." This amendment was included in the final version of ESEA 2001 "No Child left behind" as Title V Part D Subpart 13. EEE and is a subject of critical importance to the state and the future well being of its citizens—especially the K-12 student population. The Act contains specific language calling for the NVCEE to join in a partnership with the state in fostering economic education.

It is also the critical issue for NVCEE. As you may know, advancing economic, entrepreneurial, and financial literacy are the reasons why we exist. NVCEE, like this Committee, is deeply troubled with the staggering consequences of economic illiteracy. First and foremost, it affects the productivity of the nation and it negatively impacts the standard of living of all its citizens. Second, it creates barriers that keep people from participating in, and enjoying the many benefits of, our free market system--the envy of the world. Third, it limits the ability of many to make informed financial decisions that that oftentimes affect families and households for years to come. Finally, economic illiteracy limits entrepreneurship, thus negatively affecting the ability of the state to expand and diversify its economy.

To begin with, NVCEE is a unique private and public partnership of business, government and education that for more than 30 years has been helping students in grades kindergarten through 12 develop economic ways of thinking and problem solving. Our mission is to increase economic and personal financial literacy by teaching teachers how to make these subjects come alive in the classroom and by equipping them with the materials to do it well—specifically by designing curriculum and assessing results.

The reason that so many know so little about how our free enterprise system works is simple: most have never been taught anything about it. Currently, only 13 states require high school students to take a course in economics prior to graduation. Nevada hopefully will become the 14th state in the near future. Clearly, what you don't teach, they don't learn. And that is cause for concern.

For many, being financially illiterate means futures filled with money, credit and career problems. It also means that many of these same people will never become knowledgeable

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consumers, prudent savers and investors, productive members of the workforce or informed voters on issues critical to their communities.

If we are to remedy these problems, respond to growing threats to our economic way of life and raise the standard of living in our nation for all of our citizens, both children and their parents must possess the requisite skills to be economically and financially literate. These are life-long skills and as such, this education must start early, at the lowest grade level, continue through high school and carryover into the workforce.

Clearly, economic, entrepreneurial, and financial literacy is of vital importance to the state and prompt action must be taken to address it. What we recommend are the following:

- Economics is listed as one of the Nevada "core" academic subjects. The NVCEE requests the Legislature direct that the state Dept. of Education and the Regional Professional Development Program join in the partnership created by Title V Part D Subpart 13 by funding the state match—thus creating the capability to train Nevada teachers in economics. There is no state alternative plan for this goal.
- Develop new and innovative approaches for reaching the state's youth and teaching economics. This can be accomplished by the legislature directing the use of Title V Part A Subpart 3 Block Grant funds (targeted for "Innovation and Improvement") for "consumer, economic, and personal finance K-12 education."
- In 2001, a coalition of leaders in business, labor, education, and government was mobilized by the Lt. Governor and Commission on Economic Development to foster a statewide, multi-year initiative to enhance and extend economic diversification by commencing an entrepreneurship education program in our schools. The Lt. Governor's Task Force on Entrepreneurship has developed a plan to implement entrepreneurship skills--which are included in the state's standards in economics--into all state high schools. This would be accomplished by teacher training in entrepreneurship skills. The Superintendent of Public Instruction is a member of the Task Force and supports this objective. Partial funding of this initiative to date has come from private, entrepreneurial, and philanthropic grants. The LCB has stated that the "Improvements" block grant would be an appropriate use of a portion of the block grant. We ask the Legislature to direct such a use for teacher training in the entrepreneurial aspects of the state standards in economics.

We are aiming for nothing less than a transformation of our society to one that is economically literate. It is a grand vision, an achievable vision, and an inevitable reality. Economics is the quality of life issue for this millennium and economic, entrepreneurial, and financial literacy is the vehicle that will make a difference.

We believe that the goals we have set for ourselves and our statewide partners are highly compatible with those of the Committee and the Legislature as a whole. We welcome the opportunity to work with the Committee and the Dept. of Education on these important matters and to discuss our thoughts on this subject in greater detail at the convenience of the Committee.

Thank you.