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OPINION | COMMENTARY

Economics Shouldn't Be an Elective

High-school students need to understand supply, demand and money management.



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By **BENJAMIN AUSLIN**

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If President Trump is serious about improving the economy, maybe he should start by giving the next generation a bit of Econ 101. As a high-school junior, I see an economics-sized hole in our country's education system: Students don't know what the economy is, how it works, or how to succeed in it.

Economic illiteracy leads to poor personal financial habits. Students who have never taken a course in economics or personal finance may not appreciate the dangers of taking on too much debt at a young age. Weighing ourselves down with huge student loans and high credit-card balances before we land our first

jobs will undermine our efforts to build wealth and prepare for the future. Compound interest and the time value of money are not concepts that are familiar to most teenagers.

Why, then, is there no national standard for teaching basic economics and financial literacy, the way there are proficiency standards for subjects like reading and math? Only 17 states require high-school students to take a single course in personal finance, never mind to demonstrate that we understand how credit works. According to the College Board, in 2013 more students took the Advanced Placement exam in psychology than took the macroeconomics and microeconomics exams combined.

We don't need a federal mandate, or a Common Core-style controversy. The states that don't teach economics or personal finance should simply learn from the ones that do it well. A 2015 report by the Finra Investor Education Foundation singled out Georgia, Idaho and Texas as doing a particularly good job of teaching students about money matters. "In all three of the states examined, we find a statistically significant increase in credit scores beginning two years following the implementation of the [financial education] mandate," the report's authors note.

If these states can manage to get their young people up to speed on supply and demand, can't others do the same? Everyone benefits when citizens understand how markets work and prices are set. Standardizing how these subjects are taught would instill a common understanding that everyone is responsible for the economy.

It isn't merely a job for schools; parents should take the lead. Emphasizing "household" economics, parents can supplement their children's educations by promoting good financial habits from an early age. The internet provides instant access to the resources necessary to begin learning about the economy.

A successful and practical example is a 30-minute animated YouTube video created by Bridgewater Associates founder Ray Dalio. In "How the Economic Machine Works," Mr. Dalio explains that to take out credit is to "borrow from your future self." That's a message Americans of every age need to hear.

Though it hurts me to say it, I think my fellow high-school students and I need to take at least one more class before we graduate. We owe it to our future selves to become economically and financially literate. Mr. Trump has a chance to make a worthwhile investment in the nation's future. By insisting that K-12 students

actually know something about how our economic system works, he can show my generation what it would mean to make America great again.

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