

Why Economic Education Is Essential for Young Americans

In order to fulfill the requirements of my undergraduate program, I had to complete six credits in economics. Sitting in my “intro to microeconomics” class, I slowly began dying inside after being faced with slide after slide of supply and demand curves and textbook problem sets that seemed to always involve the avocado market for some reason. Nevertheless, I understood the importance of economics and trudged along.

However, my next economics class was a vastly different experience. From day one, the professor made clear the relevance of economics to our everyday lives. Life is a perpetual series of choices; thus, incentives have a profound impact on the decisions we make.

Through this lens, I began to learn that incentives introduced by way of a particular policy might distort the decision-making process. Likewise, it may also produce unintended consequences in a field seemingly removed from that of the original policy.

The Power of Personal Choice

To discuss the power of incentives on a larger scale is to realize that individual decision-making, when aggregated, has far-reaching implications. After all, while a headline in a national newspaper might read that “Country X invades Country Y,” this is not the decision of a country, per se.

People make decisions. Countries do not.

This is the aggregated outcome of the decision making process within the institutions of these countries, with all individual decisions driven by incentives.

This is just one example of the magnitude of a single economic concept.

Therefore, when given the opportunity to teach a class in Austrian Economics to high school students, I began to think about the most effective way to get teenagers to engage with economics, and thus thought back to my own education.

How Does This Affect Me?

Ludwig von Mises noted that:

“Economics deals with society’s fundamental problems; it concerns everyone and belongs to all. It is the main and proper study of every citizen.”

In my view, this quote underscores the importance of my mission to treat economic education as being necessary for turning high school students into well-informed citizens.

Concepts such as the imperative of incentives, opportunity costs, and the law of comparative advantage would be a part of my class. And I would have to work at getting students to understand that these are not just abstractions present only on the pages of an economics textbook, but rather have bearing on how the world works.

An economics education is more important now than ever, especially before a student reaches college (if they choose to go).

However, economics seems to be most likely delivered to today’s high school students through an advanced placement course. While students will certainly learn the basic concepts of economics, they will most likely do so by way of the endless supply and demand curves relating to the avocado market, or problem sets using the nondescript “Firm A” or “Firm B.”

Where is the relevance to their own lives?

Economics Surpass Party Lines

Sure, AP economics will allow students to gain college credit. But what about allowing students the ability to engage with the economic

way of thinking when it comes to understanding the political and social institutions that affect their everyday lives?

It thus becomes apparent (given today's over-politicization of issues) that an economic education is necessary for overcoming the degradation of public discourse.

A polarized U.S. is in a constant debate about a myriad of issues. However, debate tends to regress into accusation by both sides of the political spectrum, usually involving an attack on the opposition's morality. "If you don't support this policy, you hate American values!" or "You support this policy, so you dislike people!" might be common refrains.

Take for example the health care debate. It is quite easy to find a story today in which an individual discusses the fact that without the ACA, he or she would not have made it through a medical situation. Or, on the other side, a family might discuss the financial hardships encountered due to a hike in premiums.

However, this debate tends to deteriorate into attacks that suggest the political left's indifference towards the financial pinch on middle class families. Or the political right's disdain for impoverished Americans struggling to access health care.

However, it is perfectly acceptable to conclude that all of these concerns are valid. What if new questions were introduced concerning health care, which could reframe the debate? Questions such as:

1. Advancements in technology tend to improve efficiency and decrease costs in many sectors, but not health care. Why is this?
2. What incentives (if any) exist within the health care industry for increasing access to care and decreasing costs?
3. Health care expenditures amount to roughly 20 percent of U.S. GDP. Why do we spend so much more than the rest of the industrialized world?
4. What is rent seeking, and how does this concept influence the costs of health care?

By no means is economics a discipline devoid of political polarization.

However, by reframing debates in terms of economic questions, many young people may see that they really do want the same thing as their opponent; everybody truly wants affordable, accessible health care, no matter what side of the political spectrum he or she stands on.

By looking at this problem through an economic lens, perhaps access will be viewed in terms of cost, and thus lead young people to ask why they are prohibitively high. Maybe at that point, robust debate may emerge that seeks to address the problem of cost, versus debate that tends to amount to ad hominem attacks.

Thus, an economics education throughout secondary school might provide students with the tools necessary to engage in public discourse in a much more meaningful way.

Everything from evaluating a major personal decision (what is the opportunity cost of going to college?) to discussing major global issues (should the United States mobilize its military?) are topics that can be addressed in an economics course and would provide young Americans with an opportunity to evaluate arguments from a different perspective.

This is not to say that an economics education is a cure-all for our social ills. However, economics education at the secondary school level is lacking or non-existent. It's time to re-think how this discipline is presented to kids.

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