



NEWS RELEASE

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About Four Out of 10 U.S. 12th-Graders Are Proficient in Economics, According to The Nation's Report Card™

Report Details Results from First National Assessment of Economics

WASHINGTON (August 8, 2007) – About four out of 10 U.S. 12th-graders—42 percent—reached the *Proficient* level on a first-of-its-kind national economics assessment, according to The Nation's Report Card™.

The results from the National Assessment of Educational Progress (NAEP) are presented in *The Nation's Report Card: Economics 2006*, which details student achievement on the first-ever NAEP exam in the subject. The test was given to a nationally representative sample of about 11,500 12th-graders in 590 public and private schools. The assessment was administered by the National Center for Education Statistics of the U.S. Department of Education.

Students reaching the *Proficient* achievement level were able to identify and apply key economic concepts and relationships dealing with national and international economic issues and important aspects of personal finance.

About eight out of 10 12th-graders—79 percent—scored at or above the *Basic* achievement level, indicating the ability to identify a limited set of important economic concepts and relationships and use them in simple applications involving economic events and situations. Some 3 percent reached the *Advanced* level and were able to use an extensive set of economic concepts in complex analyses of economic policies and events.

“While there is clear room for improvement, the results are not discouraging,” said Darvin M. Winick, chair of the National Assessment Governing Board, which oversees policy for the NAEP tests. “Given the number of students who finish high school with a limited vocabulary, not reading well, and weak in math, the results may be as good as or better than we should expect.”

Although an economics course is required for graduation in only about a third of the states, 87 percent of seniors reported some exposure to economics content in high school. Sixteen percent reported taking an advanced course, such as AP or honors. An additional 49 percent

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took general economics. Twenty-three percent indicated that they had taken business, personal finance, or a course that combined economics with another subject, usually government.

According to the report, male 12th-graders outperformed females on average and at the *Proficient* and *Advanced* achievement levels. The same proportion of each reached the *Basic* achievement level.

Performance varied widely among demographic groups in patterns similar to those found in other NAEP subjects. Among White students, 87 percent reached the *Basic* achievement level or higher, compared to 57 percent of Black and 64 percent of Hispanic students. About one-half of White students—51 percent—scored at or above *Proficient*, compared with 16 percent of Black and 21 percent of Hispanic students.

What Students Know About Economics

The results for specific questions show what U.S. 12th-graders know about economics:

- 72% described a benefit and a risk of leaving a full-time job to further one's education.
- 60% identified factors that lead to an increase in the national debt.
- 52% identified how commercial banks use money deposited into checking accounts.
- 40% determined why industries can successfully lobby for tariff protection.
- 32% identified how investment in education can impact economic growth.
- 11% analyzed how a change in the unemployment rate affects income, spending, and production.

Additional data and copies of *The Nation's Report Card: Economics 2006* are available online at <http://nationsreportcard.gov>. The next NAEP assessment of economics is scheduled for 2012.

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The Nation's Report Card is the only nationally representative, continuing evaluation of the condition of education in the United States and has served as a national yardstick of student achievement since 1969. Through the National Assessment of Educational Progress (NAEP), The Nation's Report Card informs the public about what America's students know and can do in various subject areas, and compares achievement data between states and various student demographic groups.

The National Assessment Governing Board is an independent, bipartisan board whose members include governors, state legislators, local and state school officials, educators, business representatives, and members of the general public. Congress created the 26-member Governing Board in 1988 to set policy for NAEP.