February 27, 2023

Chairman Brenner, Vice Chair O'Brien, Ranking Member Ingram, and Members of the Senate Education Committee

I write to oppose SB17, the amendment to "incorporate free market capitalism content into the high school financial literacy and entrepreneurship standards and model curriculum." As others have pointed out, the proposed amendment goes far beyond the accepted understanding of 'financial literacy' and instead would indoctrinate students in a narrow economic ideology. Second, to accept the amendment would be to introduce a system in which curricular standards in core subjects were defined directly by legislators. In such a context, curricula could change abruptly to reflect the ideological leanings of whichever party happens to be in power. By contrast, the current system in which standards are constructed by units such as the State Board of Education, drawing on expert knowledge and insight from organizations such as the National Council of Social Studies, allows for a broad range of input and appropriate deliberation and debate. Third, the standards proposed would not make students financially *or* economically literate. Indeed, they would make more difficult for students to understand the economic conditions shaping their lives. The proposed standards present an idealized ideology of economic life that has no relation to current national or international economic contexts. The proposed standards do not reflect the complexities of current economic theory (even free-market economic theory, let alone other perspectives). They are woefully inadequate for preparing students for current economic realities such as:

> The rise of massive inequality (https://wid.world/country/usa/)
> The rise in low-quality, precarious jobs
> (https://www.sciencedaily.com/releases/2021/01/210127152539.htm)
> The stagnating minimum wage (https://www.cnbc.com/2022/07/19/heres-how-labor-dynamism-affects-wage-growth-in-america.html)
> The increasing unaffordability of housing (https://www.hrw.org/news/2022/12/14/housing-unaffordable-half-us-renters)
> The current drivers of inflation (https://thehill.com/business/3767772-labor-costs-point-to-corporate-profit-as-main-inflation-driver/
> https://www.imf.org/en/Blogs/Articles/2023/02/24/wage-price-spiral-risks-still-contained-latest-data-suggests
> -- and one could go on.

The standards would do nothing to help students understand how the economic system works to produce such effects. Indeed, workers and labor are mostly ignored in the standards, which depict a fantasy world where everyone is an entrepreneur or capitalist. At most, the proposed standards seem designed to *justify* economic inequality, to represent it as an unavoidable (or even desirable) effect of the system. In this respect, the standards fall far short of the world of thinkers who developed our ideas of the free market, such as Adam Smith. Smith understood that politics and economics were inseparable, and was well aware of the dangers of a free market system. To give just one instance:

> Our merchants and master-manufacturers complain much of the bad effects of high wages in raising the price, and thereby l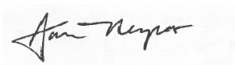essening the sale of their goods both at home and abroad. They say nothing concerning the bad effects of high profits. They are silent with regard to

the pernicious effects of their own gains. They complain only of those of other people.
(Adam Smith, *The Wealth of Nations*)

A curriculum that would teach global economic *history* would be a good thing. But that is not what the proposed standards would provide. I encourage the committee to reject them and reject the attempt to transform the legislature into a part-time curriculum committee.

Sincerely,

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