

THE ECONOMIC ATTITUDES AND VALUES OF YOUNG AMERICANS: A CASE STUDY OF FUTURE BUSINESS LEADERS OF AMERICA

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ABSTRACT

This study measured the economic attitudes and values of a random sample of young Americans (high school seniors and future Business Leaders of America members (FBLA)) towards the American Economic System and its essential elements: profits, economic freedom, competition, corporate taxes, business ethics, advertising, and labor unions. The study suggested that the respondents (FBLA members) demonstrated less than affirmative attitudes toward economic and business issues than one would expect based on their training and economic education.

INTRODUCTION

Young Americans' attitude toward the economic issues is an important determinant of the future of the private enterprise system. In a society where political and economic decision - making is decentralized, the right and responsibility to make decisions rests with individuals. Competent economic policies are, therefore, a function of economic understanding and attitudes of the masses toward profits, economic freedom, competition, government intervention, taxes, business, and the right to work.

Attitudes are widely accepted as a precursor of human behavior. According to Kunkel (1970),

Attitude, thus, is simply a shorthand term for certain abstracted characteristics common to a number of behavior patterns which are frequently repeated whenever certain conditions prevail (p.70).

McClelland (1969) endorses Kunkel's assertion when he equates attitude with "the probability of recurrence of behavior forms of a given type and direction." Since attitudes predict actions (particularly in the voting booth), a study of young Americans attitudes may offer some insights into future economic policies and their impact on the American economic system.

LITERATURE REVIEW

Studies of attitudinal change in the area of economics are limited in number and scope. This shortcoming stems partly from the fact that until recently there was no widely accepted nationally normed attitudinal test instrument available for research. Jackstadt and Brennan (1983) were among the first to study the economic knowledge level and attitude of high school students toward the American Economic System, business and labor unions. They were surprised to find not only a profound lack of understanding of the American system, but also downright hostility toward its important institutions.

Charkins, O'Toole and Wetzel (1985) studied how student learning and attitudes could be improved by matching instructional style with student learning style. Using factor analysis, the authors explored the relationship between student score on attitude and expected grade, hours of study, percentage change in Test of Understanding College Economics (TUCE) score and the extent of difference in learning style and teaching style scores. They conclude that the students' learning and attitudes could be improved by developing instructional strategies that match with students' learning styles.

Hodgin (1984) developed an econometric model to study how performance information (as reflected in cumulative grade) affected changes in attitude, which in turn determined performance. Hodgin found that there

is an interactive relationship between the students' attitudes and cognitive learning.

Ingels and O'Brien (1985) studied how learner's attitudes and values were influenced by instruction based on the textbook entitled, *Our Economy: How it Works*. They used the University of Chicago, Social Science Research Center's Economic Values Inventory instrument to measure student attitudes (the findings of the study are included in our discussion of the national sample).

In a subsequent study, O'Brien and Ingels (1987) used the Economic Values Inventory test to measure the instructional effectiveness of an economic course of study on the attitudes of younger adolescents. They claimed that the Economic Values Inventory test of attitudes satisfied acceptable standards of reliability and construct validity. They recommended the use of the test in economic education research.

Grimes et al (1989) examined the attitudinal change caused by the "Economics USA" courses by regressing attitude formation on economic learning, general learning, expectations, student efforts, demographics, and course format. The authors concluded that although Economics USA courses enhanced students' learning, they did not change the negative attitude of the students toward a televised course.

Walsted and Soper (1989) used nationally normed pre - and - post - cognitive test data to explore how students' attitudes and economic understanding were affected by the type of course, student and teacher characteristics and school district's commitment to economic education. The authors concluded that students' learning and attitudes were positively related to teacher's knowledge level, school system's commitment to economic education and pure economics courses (as opposed to courses in which economic concepts are infused, such as social studies and consumer economics).

Marlin (1991) measured the effect of state - mandated economic education on teacher attitudes and its effect on student performance. Using a National Assessment of Economic Education data bank, Marlin concluded that state mandates had a negative effect on teachers' attitude (and hence on students' performance) unless accompanied by teacher training.

Phipps and Clark (1993) extended the Walsted and Soper study further by applying factor analysis to student economic attitudes. They used seven orthogonal attitude variables instead of summed attitude scores to further gain insights into the interaction between cognitive and affective learning.

Frey et al (1993) investigated how the attitudes of economics students differed from that of the general population. They attributed differences in attitudes to the characteristics of the students who chose to study economics rather than to the education they received. Agarwal and Day (1998) showed how the Internet had a positive influence on student retention of economic concepts and attitudes toward economics.

RESEARCH ISSUE

The current study investigated economic attitudes and values of a random sample of the North Carolina seniors and Future Business Leaders of America students using a nationally normed Economic Values Inventory test. Future Business Leaders of America (FBLA) is a national youth organization for secondary school students enrolled in business subjects which include a fair amount of economic content. Business courses encompass a vast majority of the micro and macroeconomic concepts identified in the National Economic Standards and include specific competencies requiring an understanding of the free enterprise economy and the role of business in it (Tannenbaum, 1994). FBLA is designed to increase business knowledge and acumen and develop competent business leadership among its members. The FBLA has several objectives. One of the objectives is to actively encourage interest in and understanding of the American enterprise system. It seeks to reward students who "develop projects to increase understanding and support of the American enterprise system within the school and/or community by developing information/education programs," (North Carolina State Department of Public Instruction, FBLA Guidelines page 7).

HYPOTHESIS

Considering the time and efforts expended on FBLA activities, and FBLA avowed objectives, it is expected that high school students who are members of the FBLA will have higher mean scores on the Economic Value Inventory Test (a measure of attitudes toward private enterprise and its concomitant) than the mean score of non - members of FBLA. Therefore, the null hypothesis was stated as follows: There is no difference in economic value inventory test mean scores between high school students who are FBLA members and those who are non - members of FBLA.

METHODS

Performance in the affective domain was measured by the Economic Values Inventory Test (EVI) developed by the Social Science Research Center at the University of Chicago. The instrument was tested with a diverse national sample of 850 secondary students. It has proven construct and content reliability and, therefore, validity for research (O'Brian, 1987).

The initial survey consisted of 250 items. The number of items was reduced to 45 through the application of factor analysis. The eight (8) EVI scales, scale means, reliability and factor loading of individual items meet and in some cases exceed the required standards -- Cronbach - alpha ratio of a minimum .50. (O'Brian,1987).

The aforementioned instrument was administered to a random sample of 363 high school seniors in North Carolina and 350 FBLA members. The respondents were drawn from all of the North Carolina education districts. In order to ensure the inclusion of smaller and less financially endowed units, the schools were classified into type A and type B institutions. Type A institutions were secondary schools with a graduating class of 250 students or more. A senior class of 249 pupils or less was categorized as a Type B institution. Using random numbers, five (5) large and five (5) small schools were selected from the education districts.

Performance in the affective domain was measured by the Economic Values Inventory Instrument (EVI) mentioned earlier. The instrument has

eight (8) EVI scales. Each of the scales is designed to measure a thematic area of economic attitudes. The explanation for each of the EVI scales is provided in the next section.

RESULTS

How did the EVI scores of FBLA respondents compare with that of the North Carolina Seniors and the national sample?

Table 1 compares the EVI scale scores of the aforementioned groups. The national sample consisted of 850 high school seniors randomly selected from different high schools in inner-city, sub - urban and rural schools. The national sample is included for informational purposes only. (Table 1 on the next page)

It is evident from table 1 that the Economic Values Inventory test scores of FBLA respondents were statistically significantly different from those of North Carolina seniors in Scales 1,3,4,5,6, and 8.

Scale 1 of the EVI focused on the respondents' support for the American economic system and its ancillary: profits, economic freedom and competition, need for saving, and importance of productivity as a determinant of standard of living. A Low score in this category would suggest respondents' lack of support for the American private enterprise system and its essential elements. The FBLA respondents did not affirm their support for the American Economic System (and its correlative elements: profits, hard work, occupational freedom, and competition) as strongly as the North Carolina seniors and the national sample. On a scale of 1 to 7, where 1 was "strongly disagree" and 7 was "strongly agree" the FBLA respondents had a mean score of 5.35 as compared to 5.61 and 5.40 for the North Carolina seniors and the national sample, respectively.

Table 1: Mean Score on the Economic Values Inventory (Evi) for the National Sample, North Carolina High School Seniors, and Future Business Leaders of America Respondents				
		National Sample x	NC High School Seniors x	NC Future Business Leaders x
SCALE 1:	The American Economic System (Support for the Economic System)	5.40	5.61	5.35 (4.65)***
SCALE 2:	Business (Trust in Business)	4.70	4.71	4.78 (.96)
SCALE 3:	Psychological-Personal Efficacy (Alienation & Powerlessness)	2.80	2.70	2.88 (2.18)**
SCALE 4:	Government Role in Social Welfare (Government is Responsible)	4.90	4.46	4.59 (1.82)*
SCALE 5:	Government Role in Setting Prices (Against Government Role)	4.00	4.18	3.94 (2.31)**
SCALE 6:	Unions (Against Powerful Unions)	4.60	4.60	4.24 (4.75)***
SCALE 7:	Treatment of Workers (Workers' Treatment is Fair)	3.10	3.32	3.23 (.96)
SCALE 8:	The Economic Status Quo (Against the Distributive Status Quo)	4.80	4.42	4.65 (3.10)***
Note: *Significant to the 0.10 level or better, one tailed test **Significant to the 0.05 level or better, one tailed test ***Significant to the 0.01 level or better, one tailed test (t statistics are reported in parentheses below Future Business Leaders) N: National Sample - 850 North Carolina - 363 Future Business Leaders - 350				

Scale 2 consisted of statements designed to gauge the respondents' perception of the image of the American businesses. Respondent's views were sought regarding corporate taxes, business ethics, advertising, and the need to expand the business role in decision-making. High scores in this scale would affirm respondents' distrust of the business. The FBLA

respondents did, however, moderately affirm the public responsibility of business, the desirability of greater voice of the business community in government, and the importance of lower corporate taxes. The FBLA respondents mean score of 4.78 is not, however, statistically significantly different from the North Carolina seniors and the national sample.

Scale 3 was designed to investigate the psychological orientation of the respondents. It measures the strengths and weaknesses of the respondent's belief in an individual's ability to control his/her destiny and whether the economic system is exploitive in nature. A high score in this category would indicate that the respondents feel powerless and alienated from the system.

One would expect that the FBLA respondents would emphatically reject scale 3. However, their rejection of scale 3 with a mean score of 2.68 compared to 2.70 and 2.80 respectively for the North Carolina seniors and the national sample is not statistically insignificant.

Scale 4 addressed the issue of the social responsibility of the government and assessed respondents' views on whether the individual or the society is responsible for unemployment and poverty in the system. A high score in this category would indicate respondents' affirmation of the social responsibility of the government. All groups failed to consider the possibility of a conflict between the free enterprise system (Scale 1) and the role of the government in providing a safety net for the unfortunate. Contrary to expectations, the FBLA respondents' mean score of 4.59 indicated that they were more supportive of government social welfare responsibility than the North Carolina seniors.

Scale 5 dealt with the role of government in price setting. Low scores in this category are indicative of respondents' lack of support for government control of prices. The FBLA respondents seem to be neutral on this issue with a mean score of 3.94 compared to 4.18 and 4.00, respectively for the North Carolina seniors and the national sample.

Scale 6 polled the respondents regarding their views on labor unions. A high score in this scale would indicate that the respondents are against powerful labor unions and would like to see their influence reduced. An overall mean score of 4.24 for the FBLA respondents compared to the mean score of 4.60 for both North Carolina seniors and the national sample

indicated that the FBLA respondents were only moderately opposed to strong labor unions in our economy.

Scale 7 was concerned with whether or not workers are treated fairly. A low score in this category would be indicative of respondents' agreement with the unfair treatment of workers by businesses. An overall mean score of 3.23 for the FBLA respondents indicated that they moderately disagreed with the statement that our system is exploitive.

Scale 8 deals with income distribution and equality of opportunities in our society. A high score in this category would indicate that respondents agree that income and opportunities are unequally distributed in the society. The FBLA respondents with a mean score of 4.65 affirmed that there is unequal income distribution in our society and that there is a need to change the status quo.

SUMMARY AND CONCLUSIONS

The avowed objectives of the FBLA are to enhance business knowledge and skills and to promote business leadership among its members. It encourages an interest in and understanding of the American private enterprise system. While the FBLA also has other organizational objectives, its focus on promoting an understanding of and appreciation for the American Private enterprise system is laudable.. More so, because the research shows that performance in the affective domain may be influenced by success in the cognitive area (Grimes,1989).

This study suggested that the FBLA respondents demonstrated less affirmative attitudes toward economic and business issues than the North Carolina seniors and the national sample. The economic attitudes of the FBLA respondents are surprising, considering their moderate support for the American enterprise system, moderate affirmation of support for and trust in business, liberal attitude toward the role of government in price setting and income distribution, surprising affirmation of the unfair treatment of the workers, and moderate opposition to strong labor unions.

It is ironic that the attitudes described above afflict the next generation of potential business people who are beneficiaries of the

experiences that are designed to promote a better understanding of and appreciation for the private enterprise system.

IMPLICATIONS/RECOMMENDATIONS

Attitude formation is a complex process, which is influenced by a variety of student characteristics and socio-economic variables. These variables could include, race, sex, parental education, marital status of the parents, number of hours spent watching television, magazines/newspaper read, grade point average in business and economics courses, number of hours student is employed, and membership in an organization. As a sequel to this paper, it would be interesting to formulate a regression model incorporating some or all of the aforementioned variables to explain the difference in attitudes of FBLA students and the North Carolina seniors. It is evident, however, that since organization membership is only one of the many variables that determine attitudes, FBLA cannot by itself shape attitudes of its members. However, more emphasis on entrepreneurial activities and a balanced and unbiased discussion of business and economic issues may be helpful.

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