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Old Dominion University

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A Study to Substantiate the Need for
Consumer Economic Education in
Norfolk Secondary Schools

A Research Paper
Presented to
The Faculty of the School of Education
Old Dominion University

In Partial Fulfillment
of the Requirement for the Degree
Master of Science in Education

by
Geraldine W. Scott
August 8, 1980

This research paper was prepared by Geraldine W. Scott under the direction of Dr. John M. Ritz in VIAE 636, Problems in Education. It was submitted to the Graduate Program Director as partial fulfillment of the requirements for the Degree of Master of Science in Education.

APPROVED BY:

Dr. John M. Ritz
Advisor
Graduate Program Director
Vocational and Industrial Arts Education

Date

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CHAPTER I
INTRODUCTION

Consumer economics is a process whereby people, as individuals and as family members, learn to cope with an economic world. It is a natural concomitant of learning how to earn a living in that it develops the skills necessary to operate at a maximum level of personal satisfaction within our mixed free enterprise economy (Conference Summary, 1977, p. 13).

Do we, as business educators, have a responsibility to meet the needs of those 85-90 percent of high schools students who are not enrolled in business programs? Should not the teaching of the basic business survival skills be a part of the general education of all students? These questions have been asked by many business educators in the last 10 years. In this study, the researcher has localized a study of the consumer economic education program in the Norfolk secondary school system.

By conducting this study, the researcher hopes that the findings will be helpful in planning future curriculum in consumer education.

Statement of the Problem

The problem of this study was to substantiate the need for including consumer economic education in the Norfolk secondary school curriculum and to identify any problems that exist in the current Norfolk consumer education curriculum.

Research Goals

The basic objectives of this study were as follows:

1. To conduct a survey using a questionnaire to determine the level of competence in basic business survival skills of a sample of graduates from the Norfolk school system.
2. To clarify status and identify problems of the current consumer economic curriculum by collecting detailed information that describes the existing conditions and practices regarding consumer economic education in the Norfolk City Schools.
3. To make comparisons and evaluations between the existing Norfolk consumer economic curriculum and the findings from the questionnaire regarding the need for consumer economic education in the Norfolk City School System.

Background and Significance

Before one considers the need for consumer economic education in secondary schools, he should understand a little of the evolution of the consumer movement in America.

Before the 1890's, the welfare of the consumer depended mostly on the honesty and buying skills of a few local shopkeepers. There was no protection against high prices but the consumer did know the merchandise. With the spread of industrialization, forty percent of the people moved to the cities. Railroads sprang up. We saw the beginnings of reformer groups to combat such problems as urban poverty, municipal corruption, hazardous working conditions, child labor, etc. Populists and progressives promoted economic and social changes. Unions had their early beginnings.

From 1890 through 1920, America saw the foundation of the early consumer movement. The first Consumer's League was formed in 1891 in New York City. In 1899, the National Consumer League was formed which spread to 20 states. The following were typical headlines of the day: "Standard Oil 'Trust' Succeeds Through Bribery, Graft, Fraud, Violence and Destruction of Competition," "Agriculture Department Documents 1400 Pages of Food Adulteration," "Formaldehyde Used as Food Preservative," "Pure Food & Drug Law Passes Congress," "Chicago Housewives League Formed to Check Sanitary Conditions in Food Stores." Also during this time, product testing laboratories were formed. Chase and Schlick had a best seller in 1927 entitled, Your Money's Worth (Garman and Eckert, 1979, p. 50).

From 1929 through 1950, America saw the influences of the 1930 depression. Toward the end of the era, we found consumer prices were high. There was high use of installment credit. The space program and our concern with Russia seemed to keep the consumers relatively quiet during this time period. The following were typical headlines of this period: "Bargain Sale of Pre-Depression Merchandise," "Wear it out, use it up, make it do" - a new consumer slogan, "Picketing Detroit Housewives Force Meat Prices to Roll Back 20%," "New Sulpha Wonder Drug Kills Nearly 100 people" (Garman and Eckert, 1979, pp. 50-51).

The 1960's were considered the era of consumerism. America had a greater social conscience; they were open to self-criticism. Ralph Nader came forward with boycotts, scandals and exposes. Government entered the picture. In 1962, John F. Kennedy gave the first presidential message to the Congress on consumerism. In 1964, Lyndon Johnson created a new

White House position, that of Special Assistant for Consumer Affairs and appointed Esther Peterson. Business reaction to this movement was really bad. They denied all claims, found people to blame, tried to discredit the critics, launched fact-finding committees, and used any other tactics they could find to stall (Garman and Eckert, 1979, pp. 51-53).

In the 1950's, consumer economic theory was stressed. In the 1960's, the pendulum swung toward applied consumer economics. This change closely parallels vocational education which represented a counter movement to the academic education movement. In the 1970's, we saw a move toward free enterprise education. Just as career education helped to break down the sharp dichotomy between academic and vocational education, free enterprise education helped to neutralize the polar positions between economic education and consumer education (Jones, 1978, p. 15).

With the emergence of the consumer movement came the need for consumer economic education. As the authors, AuTavern and Bullock, of the first textbook in consumer economics in 1933 said:

Just over the horizon is a new field of learning which may be known as consumer economics. Since every individual must be a producer, a consumer, a worker, an investor, or perhaps all of these, he is bound to effect, and be affected by constant changes which are taking place in the economic conditions of our country. It is evident, then, that his education should help him in all four capacities (Daughtrey, 1974, p. 423).

The American consumer is the cornerstone on which our country's economic health and vitality rest. The consumer can best defend their interests and improve their status by appreciating the importance of the economy (Fetterman, 1976, p. 9). America is beginning to realize that consumer skill to manage the paycheck is as important as getting the paycheck.

Perhaps a graduate of a Kentucky high school summed up the importance of consumer education in his letter to his principal which was published in The Courier Journal, in Louisville, Kentucky, on August 10, 1965, on page 6:

I want to know why you and your teachers did not tell and teach about life and the hard, critically practical world . . . I wish I had been taught more about paying off a small mortgage, household mechanics, how to budget and live within the budget, the value of insurance, how to figure interest when borrowing money, how to buy economically and intelligently . . .

The significance of a study to determine need for consumer economic education has been supported by many authors in the field as well as businessmen and politicians.

In 1968, John F. Kennedy told Congress that there were four consumer rights (1) the right to choose (2) the right to be informed (3) the right to be heard and (4) the right to safety (Nelson, 1977, p. 222). Dr. Lillian Mohr (Conference Summary, 1977, p. 7) stated that one out of every four Americans have trouble making correct change. Mr. Sidney Margolious, a famed consumer economic writer, said that there is a great need to teach consumers to eliminate waste, warn them against health cures, inform them of quality standards, and to teach them to cope with recessions (Conference Summary, 1977, pp. 35-36). Betty Furness, the Chairman and Executive Director of the New York State Consumer Protection Board, said that consumers must have facts before they can move intelligently. She commented that the marketplace was growing so fast, that it was hard to keep up without constant consumer education (Miller, 1971, p. 15). Garner and Eckert (1979, p. 78) said that by becoming more effective as consumers, people become

more effective as citizens, improving our political system and reducing dissatisfaction with our government and our marketplace.

The major impetus for my study was several articles written by Eugene O. Whitney (1979). He pointed out that the average person makes over one-half million dollars in his working years. Successful management of this provides necessities of life and as many luxuries as our skills command. If an industry were to hire someone to handle a half million dollar job, they would require a minimum of a college degree. We are graduating people who are suppose to tackle this job without the benefit of even one course to prepare them (Whitney, 1979 a, p. 31).

Whitney feels we should expand the business program to meet the needs of the nonbusiness students in the consumer economic skills. He was on a Commission for Delta Pi Epsilon, which conducted a study of the need for consumer economic education in 1977. The results of this study were reported in the review of literature section of this paper.

Limitations

This study was limited because it only sampled a very small portion of the graduates of the Norfolk school system. Precautions were taken to obtain an even distribution of age brackets and sex, however, the study may have been limited by not taking into consideration the variances in economic backgrounds.

Questionnaires are always prone to be limited by several factors: (1) people not responding to all the questions (2) carelessness of respondents (3) lack of time - often rushed and (4) lack of interest on the part of the respondents.

The study is further limited because detail research regarding consumer economics was only conducted in the business departments of the secondary schools. It is known, however, that some consumer economics is taught in social studies, home economics and math courses.

The range of the study was limited because the skills listed in the instrument only represented some of the business skills people should possess.

The study's results may have been limited because the raw scores measured the person's level of competence in the basic business survival skills. It did not, however, ascertain that these skills were learned in Norfolk secondary schools. Many of the skills could have been learned through life experiences, as findings on a test by Richard Roy Bennington (1974) proved that married life substantially improved the scores on a similar test.

Assumptions

It was assumed in this study that:

1. The instrument used was a relatively valid test of the level of competence of the skills included. The instrument was validated by three people knowledgeable in the field.
2. The responses to questionnaire items were based on the person's honest knowledge of the skill.
3. The low competence level of a survival skill on the questionnaire denotes a need for education for this skill.
4. The increase of consumer education in the business program in Norfolk schools will raise the level of skill competency.

Procedures for Collecting Data

The subjects of this study were graduates of the Norfolk City School System. The subjects were randomly selected at two shopping centers in Norfolk, Virginia. They were solicited on eight different days. Prospective participants were asked if they graduated from a Norfolk school and if they would be willing to answer the questionnaire. There was a variety of age brackets and a fairly even sex distribution. A total of 74 people responded to the questionnaire.

Data regarding the current status of the consumer economic education program in Norfolk secondary schools was obtained through the records of the Vocational Supervisor for Business Education for the City of Norfolk.

Procedures for Treating Data

The results of the questionnaires were tabulated as raw scores. From these raw scores of the 74 participants, the researcher was able to determine the Mean and Median. Each group of skills was also tabulated by percentages to help identify the weak areas.

The data compiled on present enrollments in consumer economic courses in the Norfolk school system for the last five years was tabled for easy reference.

Definition of Terms

The following terms were used in this study and were defined here for clarification:

1. Consumer - Any person, business firm or government interest that chooses goods and services, spends money for them, and uses goods and services to satisfy its own wants.

2. Consumer Economics - A body of knowledge containing "common learnings" or basic business survival skills necessary for individuals to assume their role as an effective member of the society. The development of an understanding of the American economic system and those skills and abilities necessary to function effectively in that system (Daugherty, 1974, p. 37).
3. Consumer Goods and Services - Those goods and services used or consumed by the final user. Examples: clothing, food, shelter, medicine, etc.
4. Delta Pi Epsilon - An Honorary graduate fraternity founded in 1936, devoted to the advancement and professionalism of business education. Commonly abbreviated as DPE.
5. Economic Freedom - Individual rights to make economic decisions freely, when to work , where to spend, what to buy, to own property, to enter into or dissolve a business, etc. (Campbell, 1976, p. 58).
6. Mixed Free Enterprise System - An economic system characterized largely by private ownership of property and productive resources, the profit motive to stimulate production, competition to insure efficiency, and the forces of supply and demand to produce and distribute goods and services. Certain aspects of economic activity, however, are controlled by the government (Campbell, 1976, p. 59).

Summary

In Chapter I, the problem and objectives of the study have been presented. The reader has also been given a background and significance for the study, limitations, definition of terms and assumptions. A brief

description of the procedures for handling and treatment of the data was also discussed.

In the following chapters, the researcher will review the current literature in her subject area, relate the background for her study, discuss in detail, the methods and procedures used to collect data, and state the findings, recommendations, conclusions and summaries drawn from the study.

CHAPTER II

REVIEW OF LITERATURE

There has been a growing body of research completed on the subject of consumer economic education, especially in the last 10 years. As the cost of living increases and consumer groups bring problems before the public, the need for consumer education becomes more prevalent. Educators are not the only people writing about the need for better informed consumers. Business and government have played a wide role in recent literature. The concept of consumer economics is not new. Adam Smith in his early economic writings (Miller, 1971, p. 6) said, "The very essence of free enterprise is a system where consumers, through their 'dollar votes', force producers to meet their demands."

Changes in Educators

Whitney (1979, p. 18) alleges that business educators ought to take the responsibility to develop a consumer economic program, school administrators ought to take the responsibility to put the program into the curriculum, and guidance ought to take the responsibility to see that students who need it, get it. He feels that the vocational business education curriculum should be expanded to meet the needs of the nonbusiness student population by including specifically developed courses designed to approach the topic from the consumers' perspective.

The same author also states that past attempts to teach consumer economics were generally geared to the less academically able students.

Another mistake was trying to substitute the Introduction to Business course as a consumer economic course. He feels business educators must look beyond successes of the past with students preparing for entry-level positions. Consumer economics needs to become a vital part of the high school general education program and serve a need that has been neglected and ignored. In addition to preparing students for careers, we have a responsibility to prepare all students to manage their own personal business affairs. This would serve four times as many people.

In the November, 1974 issue of Business Education Forum, pages 9-11, the editors summarize in the Open Forum the personal consumer competencies that need to be taught in our consumer economic classes: (1) development of knowledge that can influence and shape the market place (2) help clarify their values (3) develop problem-solving and decision-making skills (4) understand their role as consumers (5) evaluate their own behavior, attitudes and problems (6) examine the complex business-consumer controversies and (7) recognize the consequences of their behavior both as a consumer and business person for themselves and society. The editors noted that the course has to be relevant to the students, taking into consideration their neighborhoods, income levels, values and aspirations.

According to Wingo (1977, p. 259), young people comprise a \$50 billion dollar market a year in such things as records, soft drinks, movies, photo, apparel and cosmetics. They need to be taught buying skills. A consumer vocabulary could be weaved into many courses.

Garman's and Gummerson's (1977, p. 328) findings from a follow-up study from consumer economic students show that the students thought that

the following areas should be considered essential. (1) Budgeting (2) Dishonest and deceptive sales techniques (3) Auto insurance (4) Wise buying habits (5) Value comparison shopping. In order to keep consumer education current, it is necessary to get feedback from students of what they feel is relevant information.

Another example of educators' feelings on the need for consumer education is expressed by Boyer and Smith (1978, p. 60) when they said "People are basically illiterate or at least totally unappreciative in economic understandings." They felt that consumer economics should be taught in all places to supplement the classroom, e.g. T. V., business, packaging, day-to-day contact, etc.

Moyer (1979, p. 13) stated that the educational system of the 60's and 70's has been accused of producing a generation of consumer illiterates, students who have been "production educated" rather than "consumer educated".

In the Conference Summary of the Consumer Educational and Financial Management Conference in 1977, in Blacksburg, Virginia, several of the speakers mentioned their reasons for the need for consumer economics. Mohr called consumer education the fifth right of Americans. She mentioned that many people had complaints about products and services that are not voiced simply because they do not know how to issue a consumer complaint (p. 12). Mr. Sidney Margolius, a noted consumer economic columnist states that consumers get "ripped off" because of a lack of knowledge primarily in the areas of fuel, utilities, food, medical costs and insurance, housing, quality problems, repair costs and car ownership (pp. 35-36). Daily points out that three things which affect the use of income are size and composition

of family, environmental and behavioral preferences. Students must be taught how to deal with these factors as well as others like advertising, managerial skill, location, current prices, etc. (p. 53).

Douglas, Blanford and Anderson (1973, p. 294) conclude that consumer economic education can help develop in all students the ability to choose discriminately and to use wisely goods and services that business has to offer.

Daughtrey (1974, p. 427) reports that the consumer sector of the American economy comprises about two-thirds of the total purchases of good and services, thus educational emphasis should be on the dynamic forces of consumption in relation to the level of income, employment, and prices, and in turn the relationship of the consumer sector to the business and government sectors. She feels this would avoid a lot of duplication from General Business and differentiate from Home Economic classes.

As C. Hadder Spurgen said (Daughtrey, 1974, p. 421), "Economy is half the battle of life; it is not so hard to earn money, as to spend it well."

Changes in State Mandates

A few states have gone so far as to mandate personal use business skills before receiving a diploma. Some states give limited consideration to consumer education courses and some states do not even recognize consumer economics even though it serves as universal a need as any program in the curriculum.

Within the last five years, Oregon, Utah, Washington, Georgia and Texas have imposed a consumer economic mandate in their states. Some states have compromised as in Denver, Colorado, by allowing Business Law, Economic

Geography and Economics substitute for social study credit. In many states, consumer economics must be offered but the procedures for implementation are vague. This is where educators need to step in and plan definite curriculum (Whitney, 1979 a, p. 31).

Changes in Curriculums

There has been a vast change in curriculums in the basic business area in the last five years. There are as many different opinions on how consumer economics should be included in the curriculum, as there are curriculums. Douglas, Blanford, and Anderson (1973, p. 7) believe there should be Typing, Shorthand, Bookkeeping, General Business and Consumer Economic courses. Daughtrey (1974, p. 292) says there is usually offered - General Business, Economics, Consumer Economics, Business Principles and Management, Business Law, and Economic Geography. Musselman, V. and Musselman, D. (1975, p. 243) say the breakdown should be General Business, Business Law, Principles of Economics and Consumer Economics.

In discussing basic business education, Daughtrey (1974, p. 41) lists four basic types of economics in our economy. They can be interpreted very liberally to mean "good money management:" (1) economic principles (2) business economics (3) consumer economics and (4) personal economics. In Monroe-Woodbury High School in Central Valley, New York, the General Business curriculum was broken up as I - Basic Economics II - Court Systems III - Principles of Banking and Insurance IV - Consumer Economics I - V - Consumer Economics II - VI - Working Citizen VII - Business Management. Frandino and Duffy (1978, p. 25) reported that by making these changes, enrollments were up, the academically inclined people became interested

in business, the number of males increased and there was more exposure to all areas.

There has been some research completed which has tried to help the curriculum problems. One such work is a task list and statement written by Moyer (1979, pp. 16-18). From this list, competencies could easily be written. He included 18 areas: Valuing, Decision-making, Money management, Purchasing specific and general, Consumer, Credit, Consumer rights, Insurance, Savings and investments, Banking, Consumer economics, Taxation and public spending, Employment, Consumer math, Consumer health and safety, and Estate planning.

Another reason why curriculum in consumer education has been a problem as far as consistency goes is because there are so many different views on what the objectives should be for consumer economic education and what information should be included. For instance, Enterline (1978, p. 54), lists four basic goals of consumer economics: (1) to develop skills and knowledge useful in performing personal and social business activities (2) to contribute to the understanding and appreciation of the American enterprise system (3) to develop wise buyers and users of good and services that business has to offer (4) to develop a desirable attitude and to improve ethical conduct in business transactions. The Educational Policies Commission said that economic goals should be dealing with self-realization, economic efficiency, human relationships and civic responsibility. Jones (1978, p. 15), believes that consumer economics falls into three distinct areas. The first being the problem area which deals with principles pertaining to the nature of common money management. These would include

problems all individuals encounter in conducting their business and economic activities. The second area is the foundational area where one must be founded in environmental surrounded problems as in principles of money management, free enterprise, law, ethics, etc. The last area he calls the relational area where one needs to understand the relationship between the other two areas. This area provides the subject matter needed for a solution.

Staples (1978, p. 295), lists 10 categories which he lists as consumer decision areas which should be understood by all students: personal and household budgeting, personal and household purchasing, consumer credit, bank services, savings and loans, credit unions, insurance, investments, and taxation. Graf (1976, p. 3), reports that consumer agencies selected these 10 topics as the most needed areas of concentration for consumer economic courses: consumer information, food, consumer credit, transportation, the consumer in the marketplace, consumer aid and protection, consumer services, housing and shelter, insurance and management of family income.

Douglas, Blanford and Anderson (1973, p/ 294) outlines six objectives for a consumer economics course: (1) to develop a knowledge of basic economic principles with particular attention to problems of consumption (2) to provide students with sufficient information to evaluate goods and services intelligently (3) to enable student consumers to make intelligent buying choices (4) to teach students the elements of personal financial affairs, including budgeting, saving, credit, insurance and investment of funds (5) to provide students with the knowledge concerning the source of aids to consumer and the development of abilities to choose wisely between

true and false information (6) to instruct students concerning the part played by government and the contribution that government makes to protect and advance consumer welfare. Daughtrey (1974, pp. 423-424), outlines eight objectives for a consumer economics course: (1) to aid the student in improving his understanding of the American economic system (2) to aid the student in improving his ability to evaluate and buy goods and services (3) to aid the student in improving his development of understanding the real cost of his consumer decisions (4) to aid the student in improving his development of the role his consumer decisions play in the allocation of resources (5) to aid the student in developing his understanding of the role of government in promoting consumer welfare (6) to aid the student in acquiring knowledge about reliable sources and consumer information (7) to aid the student in increasing his understanding of the role advertising plays in the marketplace and (8) to aid the student to improve his general business skills.

Changes in Business

The attitude of business toward consumerism has changed drastically in the last five years. They no longer see consumer education as a threat but as a vehicle for improving. Businesses now realize they have a responsibility beyond just making a profit. Old consumerism dealt primarily with private goods, e.g., auto, TV, etc. The new consumerism has shifted to public goods such as clean air, safer streets, pure water, etc. In this respect, business and government have responsibilities to the consumer.

Some consumerists feel as though business ought to educate the consumer instead of the schools. Elisha Gray II of Whirlpool Corporation, notes that consumers are more affluent and own more things than they use to. She believes businesses ought to help to get consumer education into the schools. She feels businessmen should take an interest as parents, individuals, taxpayers and citizens (Miller, 1971, p. 75).

A contrasting view to Gray's is taken by McNeal (1978, p. 56). He believes that consumer economic education should solely be the responsibility of business. He feels business will do this to keep customers satisfied, to cast a favorable attitude toward the company, and to please consumer advocates and reduce confrontations. He reports that political and social authorities have finally realized that consumer behavior has a significant effect on the overall psychological well being of individual and, consequently, the nation.

A Need Study for Consumer Economic Education

An example of an extensive study conducted in New York will show similar results to several other studies the researcher encountered in this study. This particular study was conducted by a commission of the Alpha Mu Chapter of Delta Pi Epsilon in 1977. The study was conducted to determine the level of competence of the graduating high school seniors in the area of the basic business survival skills. A pilot study was conducted in eight selected New York state high schools and later expanded to include Massachusetts, New Jersey, Michigan, Texas, Kansas, and California. It represented 50 percent of the seniors (Whitney, 1979 b).

After answering fifty true-false questions, it was found that 78 percent of the over 10,000 students surveyed scored below 65 percent. Two questions were being asked by the commission. The first - Are high school graduates leaving school without sufficient basic business skills to adequately manage their personal business affairs? The second - What role is the business education department playing to provide all students with the basic business survival skills necessary for one to adequately manage his or her personal business affairs (Whitney, 1979 b)?

It was found that students who had taken General Business in high school scored no higher than those who had not taken the course. One possible conclusion drawn by the commission from the study was that basic business skills were not being taught in the typical business education courses. The commission recommended that a one semester course be mandated for graduating seniors (Whitney, 1979 b, p. 40).

Summary

After reviewing the literature on consumer economics, the researcher felt she had sufficient backing and provocation to proceed with this study. It was obvious from the review, that educators need to graduate students who not only are able to hold their own in the marketplace, but who must also be able to make legally sound decisions concerning the management of their resources to provide maximum benefits. In the next chapter, the methods and procedures for conducting this study are discussed.

CHAPTER III

METHODS AND PROCEDURES

The purposes of this chapter were to describe the population, the design of the questionnaire, the detailed account of the administration of the questionnaire, the collection of data from the Norfolk school system and the statistical techniques used to analyze the data.

Description of the Population

The subjects in this study were randomly selected by asking people at two Norfolk shopping centers to respond to the questionnaire. To eliminate waste and to shorten the time factor, respondents were only asked to complete the questionnaire after ascertaining that they had graduated from a Norfolk City School. To insure a fairly equal distribution between sexes, there were two people administering the questionnaire, one asked male subjects and the other, female subjects. Seventy-four responses were obtained.

Instrument Design

An instrument of 45 questions was designed to be given to the sample population. Since the questionnaire was going to be administered in person, the cover letter was short and was worded only to establish a sincere purpose for the instrument and to solicit the respondent's help. It was decided to make the questions in a structured, closed form, thus requesting the respondent to check either the "Yes" or "No" column. This would make

the questions easier and quicker to answer, knowing time would be a crucial factor. This format would also facilitate tabulation and analysis of data while improving reliability and consistency of the data. The instrument actually measured 41 basic business survival skills which fell in the areas of legal, management, decision-making and recordkeeping skills. There was no claim that the instrument covered all the business skills that people should possess. The researcher felt, however, that the instrument reflected a reasonable assessment of many of the more common skills. To test the content validity of the instrument, the questionnaire was validated by three people knowledgeable in the consumer field. The validations can be found in the Appendices.

Instrument Administration

The questionnaire was administered in person at two Norfolk shopping centers on eight different dates. Military Shopping Center on June 14, June 28, July 19 and July 22. Janaf Shopping Center on June 21, July 12, July 24 and July 26. There were two administrators who first asked the perspective respondents if they were graduates of the Norfolk City School System. One administered the questionnaire to male subjects and the other to female subjects. A total of 74 responses from Norfolk graduates were obtained. (37 - male and 37 - female)

Data Collection

Data regarding the current status of consumer economic education in the Norfolk City School business departments was obtained through searching the records of the past five years. The information was found in the office

of the Vocational Supervisor of Business Education in the School Administration Building. This data included types of courses offered over the past five year span in junior and senior high schools and enrollment figures in these courses for the same time period. The researcher, having taught consumer education during the past five year period in both junior and senior high schools in the Norfolk system, was able to have a clear picture of the existing program.

Statistical Analysis

The raw scores were computed on the 74 questionnaires. A breakdown on correct answers in all four areas of skills was also tabulated. The mean and median were calculated for use in comparison tables. The data compiled on enrollments and course offerings in consumer economics in the Norfolk system was tabled for easy reference.

Summary

This chapter has stated the methods and procedures used to collect and utilize the data for this study. In the last two chapters, the researcher will state the findings and give her recommendations, conclusions, and summaries on the need for consumer economics in the Norfolk City School System.

CHAPTER IV

FINDINGS

The first goal of this study was to conduct a questionnaire to determine the level of competency in basic business survival skills of a sample of graduates from the Norfolk school system. The questionnaire was administered on eight different dates ranging from June 14 - July 26, as discussed in Chapter III. Seventy-four questionnaires were completed. A complete list of scores can be found in Table 1.

TABLE 1
Frequency Distribution
Of Raw Scores On Questionnaire

Score (x)	Frequency (f)
85	1
82	3
79	1
76	1
73	3
70	4
67	13
64	12
61	10
58	10

TABLE 1 Continued
Frequency Distribution
Of Raw Scores On Questionnaire

Score (x)	Frequency (f)
55	3
52	4
49	3
46	2
43	3
28	1
N = 74	

The mean score or average competency level was 62. Thirty-five percent of the participants scored above 65 on the survey. When considering the breakdown by age brackets and sex, the mean scores for men were slightly higher than those for the women. With one exception, as age increased, the mean score decreased. The results can be found in Table 2, on page 26.

In comparing scores with the Alpha Mu Study which was reviewed in Chapter II, the researcher used the median scores since they were the figures which were made available in that particular study. On a percentile basis in the Alpha Mu Study, 22 percent of the participants scored above 65 on the questions and 78 percent scored below 65. In our study, 35 percent scored above 65 and 65 percent scored below. The

TABLE 2
Mean Scores in Age Brackets
Results from Questionnaire

<u>Age Bracket</u>	<u>Mean Score</u>		
	<u>Male</u>	<u>Female</u>	<u>Overall</u>
20-30	65	62	63
31-40	60	58	59
41-50	57	56	56
51-60	64	53	58

overall median score was 56 for Alpha Mu and 64 for our study, a difference of eight points. The breakdown on the median scores in the different skill areas can be seen in Table 3.

TABLE 3
Comparison Median Scores in Skill Areas
Results from Questionnaire

<u>Name of Study</u>	<u>All</u>	<u>Legal</u>	<u>Record Keeping</u>	<u>Decision Making</u>	<u>Mgt.</u>
Alpha Mu Study	56	54	65	74	49
This Study	64	67	57	78	60

The second goal of this study was to clarify the status and identify problems of the current consumer economic curriculum by collecting information and describing the existing conditions and practices regarding consumer economic education in the Norfolk City Schools. The information was collected from the Norfolk Vocational Education Office. Consumer economic courses are not required for graduation in the Norfolk school system. They have been offered to a small extent, however, over the past five years. The courses which are offered through the high school business departments are: Recordkeeping, General Business, Business Law, Business Math, and some short nine week consumer economic courses such as Month/Money, Cents/Dollars and Personal Finance. These courses are electives and did draw some students other than business majors. The content of these courses did deal with learning consumer basic business survival skills. The enrollment in these classes has gone from 35 - 140 over a four year span. A full list of enrollments for all the aforesaid courses can be found in Table 4.

TABLE 4
Enrollment in Consumer Related Courses
Norfolk City Schools - 76-80

<u>Course</u>	<u>76/77</u>	<u>77/78</u>	<u>78/79</u>	<u>79/80</u>
Recordkeeping	131	155	164	186
General Business	37	76	183	241
Business Law	5	140	141	166
Business Math	--	71	66	67
Personal Finance / CE	35	60	54	140
Jr. High Personal Business	--	434	487	336

The other aspect of business education which included consumer economics was offered in the junior high program. A personal business and typing course has been offered eighth and ninth graders for the last few years. Total enrollment in these programs for the last five years has been anywhere from 336-487 per year. There was also a nine-week business exploratory program for seventh graders. For the school year 80/81, the junior high program has been changed to include only seventh and eighth graders in an eighteen-week exploratory class. Ninth graders have been sent to the high schools. At least through this junior high program, Norfolk business teachers have been able to reach a much larger segment of the enrollment. The researcher gave a basic business skill test at the beginning of the 79/80 school year to 54 eighth and ninth grade students. The average score was 45. The same test was administered at the end of the same school year to the same 54 students. The average score had increased to 79.

In the last chapter, the researcher will try to compare the existing Norfolk consumer economic curriculum with the findings from the survey. Summaries will be given, conclusions drawn and recommendations made for improvement.

CHAPTER V

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

This study was conducted to substantiate the need for including consumer economic education in the Norfolk secondary school curriculum and to identify any problems that exist in the current curriculum. To partly accomplish this goal, a survey using a questionnaire to determine the level of competency in basic business survival skills of a sample of graduates from the Norfolk school system, was administered to 74 respondents. The enrollment data of the current Norfolk City Schools' business students was obtained from the Vocational Education Office in the Administration Building in Norfolk.

After an extensive review of the literature in the consumer economic field, the researcher found several similar studies in many states which supported the findings in this paper. Sufficient backing and provocation seemed to exist to proceed with the study.

Chapter III explained the methods and procedures in detail used to collect and analyze the data. Enrollment and course information was obtained to help clarify the status and identify the problems in the Norfolk City School business/consumer economic curriculum.

The findings were given in the text of Chapter IV which was documented by tables of the results from the survey and data obtained from the school system. The results of the survey showed that only 35 percent of the participants passed the questionnaire with a grade of 65 or above.

The findings compared favorably overall with the Alpha Mu Study of 1977. It was also found that the Norfolk high schools were only meeting the needs of about eight percent of the total student body in regards to consumer economic courses.

In the next two sections, the researcher draws conclusions from the findings of this study and makes recommendations for improvement of the current situation.

Conclusions

The researcher drew the following conclusions:

1. There is a strong indication that students are graduating with a major deficiency in the basic business skills required to adequately manage their personal business affairs. Using 65 percent as a minimal "passing" grade, 65 percent of the participants failed to show minimal competencies and another 18 percent scored below 70. This leaves only 17 percent of the 74 respondents scoring over 70 percent. These figures were confirmed by the Alpha Mu Study involving over 10,000 students.
2. From the enrollment figures obtained regarding Norfolk's consumer education courses, it seems the high school business departments are only serving the needs of about eight percent of the total school population. From the results of the questionnaire, it seems as though there is a large need to reach more students in the area of the basic business survival skills.
3. Pre-tests containing basic business skills were given to 54 students in the fall of 1979 at Northside Junior High School. The average score was 45. The same test was administered at the end of the same school year to the same 54 students; the average score was 79. It seems that

scores do improve if basic business skills are taught in the classroom.

Recommendations

1. Findings in this study imply that expanded research should be conducted to confirm or to refute the conclusions presented in this report.
2. After reviewing consumer economic curriculums from many different school systems and observing and studying the current curriculum in the Norfolk system, the researcher believes Norfolk should appoint a task force to further research and make recommendations for change and/or expansion of the present program and to determine if consumer education needs are being met for all students.

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APPENDIX

TABLE 5
Measures of Central Tendency and Variability
Results from Questionnaire

Mean	62
Median	64
Mode	67
Range	57
Variance	50
Standard Deviation	7

Total number responses = 74

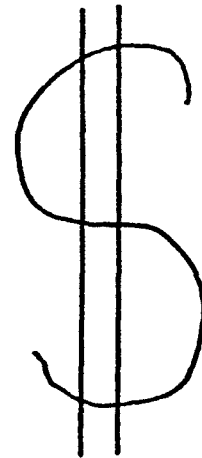
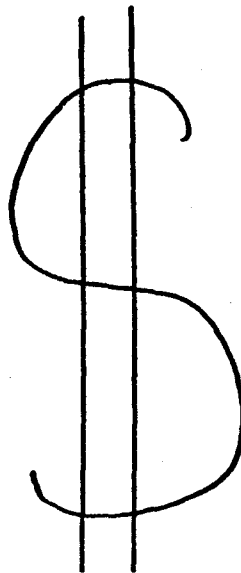
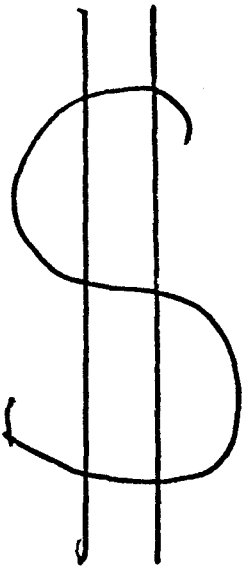
B A S I C B U S I N E S S S U R V I V A L S K I L L S ! ! !

The following questionnaire is being used to support a study to determine the need for consumer economic courses in Tidewater secondary schools.

As a responsible resident of the Tidewater area, your time can help educators better serve the needs of your family. Your signature is not necessary. Just check yes or no in the answer column next to the question.

Your concern to help educators better serve Tidewater is greatly appreciated.

Geraldine W. Scott



BASIC BUSINESS SURVIVAL SKILLS!!!

38

YES

NO

1. Are you a resident of Tidewater, Virginia? _____ _____
2. Did you attend a Tidewater high school? _____ _____
3. You have a charge account with J. C. Adams Company. When you receive your August bill, you find you have been charged for an item you did not purchase. Are you legally liable to pay the entire bill unless you can prove that the store has made an error? _____ _____
4. If your boss told you your net pay would be \$148.63 per week, would your gross pay be less than this amount? _____ _____
5. Do you generally pay a lesser rate of interest on long-term credit than you would on short-term credit? _____ _____
6. Do style goods sell at their highest price at the end of the season? _____ _____
7. You purchased a curtain rod (one size fits all) to fit your single window. When you got home, the rod did not fit. Can you return the rod legally and demand your money back? _____ _____
8. You received your bank statement showing that you had an ending balance of \$326.08. The check stub balance that you keep shows a balance of \$250.25. Is it reasonable to assume that you can write a check for \$325.00 without fear of being overdrawn? _____ _____
9. You buy a 10-year, \$10,000 term life insurance policy at age 25. You pay the premiums for 10 years. At age 36, you are killed in an accident. Can your survivor collect the entire \$10,000? _____ _____
10. You "co-sign" a bank note for your next door neighbor. He can not pay the note when it is due. Are you legally obligated to pay the bank the full amount of the note? _____ _____
11. You buy an electric fan from your neighbor on an "as is" basis. Later you discover he did not legally own the fan. Can you legally return the fan to your neighbor and demand your money back? _____ _____
12. Is a stock selling below its "par value" a good investment? _____ _____
13. You receive a set of steak knives in the mail which you have not ordered, can you legally be required to pay for the knives or send them back? _____ _____
14. Is the amount of gold a government owns a determining factor of the value of the U. S. dollar? _____ _____
15. You orally agree to purchase an \$11,000 boat in front of four witnesses. Can you legally back out of the agreement on the grounds that you did not sign a written agreement? _____ _____

16. You wrote a check made payable to cash and gave it to your friend to cash for you. On the way to the bank, he lost the check. Can the finder cash this check without a problem? _____
17. Does a person who earned only \$4,000 last year legally need to file a Federal Income Tax Form? _____
18. You can afford a down payment and money for closing costs for a \$40,000 townhouse. Are you wiser to take on a mortgage payment for \$320.00 per month than to pay \$300.00 per month on rent for the same size townhouse? _____
19. Even though stocks are perhaps the most risky form of investments, do they have the highest rate of return? _____
20. You purchased a micro-wave oven under a Conditional Sales Contract. You paid 15% down and 10% a month thereafter. Do you have legal title to the oven until you have made the final payment? _____
21. You let your friend borrow your car for a personal errand. He ran off the road into a tree and was charged for drunk driving. Can you legally sue your friend for the damages to your car? _____
22. You agreed to take care of your neighbor's dog as a favor while she was on vacation. While you were shopping, a fire broke out in your home and killed both your neighbor's dog and your own dog. Your neighbor is threatening to bring a lawsuit against you if you do not purchase another dog to replace the one that was killed. Do you have a legal obligation to reimburse your neighbor for the loss of her pet? _____
23. You rented a house on a month-to-month basis without a written lease agreement. You carpeted, wall-to-wall, and wallpapered the entire apartment. Shortly afterwards, the landlord decided to evict you and to live in the house himself. You became angry and defaced the wallpaper and ripped the carpet. Can your landlord legally force you to pay to have the wallpaper and carpet repaired? _____
24. Your office purchased a filing cabinet with terms FOB shipping point, 2/10, N/30. The cabinet was dented in transit and you refused to accept delivery from the trucking company. Can the company legally force you to pay full price for the file if you do not pay within 30 days? _____
25. You were driven home from a New Year's Eve Party and were obviously intoxicated. You were let off several miles from your home. You had money for bus fare but the driver refused to let you board. Did the driver have the legal right to refuse you admission? _____
26. You made a bet on a football game in front of a witness of legal age. You lost the bet and refused to pay. Are you under legal obligation to pay? _____

- [illegible]

YES

NO

41. You borrowed money to pay for taking a business course in a local school. After completing the course, you defaulted on your payments. After trying several times to get you to pay the balance without success, can the school get a court order to garnish your wages for the remainder due? _____
42. You take your car to a repair service complaining about a starting problem. After a quick check, the mechanic gives you a written estimate of \$18.00 to replace the celluloid in the starter. When you go to pick up your car, you find a bill for \$90.00. He had to replace the entire starter. Are you liable to pay the entire bill? _____
43. You purchase a home and the salesman tells you that the new refrigerator has a years written warranty but he promises you will get at least 10 years good service from the appliance. After two years, the motor burns out. Can you sue the salesman because of his promise for 10 years good service? _____
44. Do you believe consumer economics should be taught in the secondary schools in Tidewater? _____
45. Which age bracket denotes your current age?
- 19 - below _____
- 20 - 30 _____
- 31 - 40 _____
- 41 - 50 _____
- 51 - 60 _____
- 61 - up _____

T H A N K Y O U !

Validation of Questionnaire

I have read the questionnaire used in this study and I believe that the content reflects a reasonable assessment of many of the more common skills that a high school graduate should possess in order to be able to function as an intelligent consumer in today's economy. The questions are easily understood and the answers are accurate.

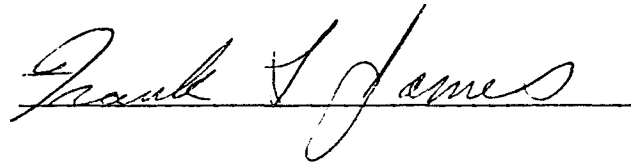
Esther P. Bailey

Business Education Supervisor - City of

Norfolk

Validation of Questionnaire

I have read the questionnaire used in this study and I believe that the content reflects a reasonable assessment of many of the more common skills that a high school graduate should possess in order to be able to function as an intelligent consumer in today's economy. The questions are easily understood and the answers are accurate.

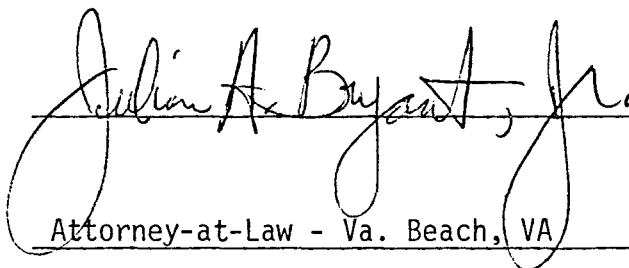
A handwritten signature in cursive script, reading "Frank I. James", is written over a horizontal line.

Consumer Economics Teacher - Falls

Church, VA

Validation of Questionnaire

I have read the questionnaire used in this study and I believe that the content reflects a reasonable assessment of many of the more common skills that a high school graduate should possess in order to be able to function as an intelligent consumer in today's economy. The questions are easily understood and the answers are accurate.



Attorney-at-Law - Va. Beach, VA