

## ARE OUR STUDENTS (IL)LITERATE ABOUT BUSINESS-RELATED CURRENT EVENTS?

Bruce L. Stern, Portland State University  
Jack L. Taylor, Jr., Portland State University  
Neal Hayden, Portland State University  
Eileen Murphy, Portland State University

### INTRODUCTION

This study attempts to answer the research question: How knowledgeable are students about current business-related events in the areas of economics, finance, industry, and the political environment--areas that so sharply influence their destiny?

Every year, upwards of 200,000 business graduates enter a business world in which success hinges partly on their ability to know something about the business world they will face. A continuous awareness of "what is going on" is generally agreed to be the mark of an alert and progressive businessperson, and our students require an understanding of the "worlds" into which they will soon emerge. The literature can only produce one study in the past 10 years dealing with business students' economic awareness.

### METHODOLOGY

A self-administered questionnaire was administered to a sample of 346 students and business faculty at the three largest public universities in the state of Oregon during 1984. Business students were chosen from basic marketing classes at the three participating universities. Non-business students and business faculty were chosen on a convenience basis in line with practical constraints.

### RESULTS

#### Awareness of Business and Its Environment

Questions dealing with issues and facts most apt to appear in mass media were the most likely to be answered correctly by the student portion of the sample. Issues likely to get headline or priority treatment also had a high incidence of correct responses. Business students' total scores did not differ significantly by major; however, marketing majors performed lower than their counterparts on a number of financially-oriented questions. In all areas, business students outperformed their non-business counterparts. On an overall basis, the business students were correct an average of 15.09 times out of 40 possible compared to 11.62 for non-business students and 26.08 for business faculty.

#### Demographic Comparisons

One-way ANOVA tests were conducted to analyze whether business students with certain characteristics performed better than others. When total scores were analyzed by characteristics such as academic major, day or night class, and hours

employed per week, no significant differences were found among their sub-groups. The opposite was found, however, for other variables. Males significantly outperformed their female counterparts. Performance improved with age--after the age of 25. Closely paralleling the general pattern of the age variable is one's year in school. Upper-division and graduate students significantly outperformed the underclassmen. The data also indicate that average total scores were higher at each successive level of grade point average. The extent of media exposure on total scores showed that hours spent watching television negatively correlated with three sub-variables and the total score. Except for the areas of industry and politics, those who watched more television scored significantly less on an overall basis and in other sub-areas. On the other hand, the greater the number of newspapers and periodicals read on a regular basis, the greater one's total score on four sub-areas and on an overall basis. Those who regularly read weekly news magazines scored significantly higher than those who did not ( $F=4.42, p < .05$ ). The one publication which appeared to make a big difference in overall awareness was the Wall Street Journal. Persons who read this publication on a regular basis significantly outperformed those who did not ( $F=17.75, p < .01$ ).

### CONCLUSIONS AND IMPLICATIONS

The results of this exploratory study suggest strongly that students are not well informed when it comes to business-related current events. Further, the results pose some very interesting questions and observations:

1. Those students who do read outside material regularly are much more aware of what is going on in the business environment than non-readers. This, of course, is not a surprise. However, the magnitude of the difference was a surprise.
2. The fact that marketing majors did poorly on a relative basis with the financially-related questions suggests a serious problem in the marketing curriculum.
3. It could be argued that because most students work at outside jobs, most of their free time is spent dealing with their course reading.
4. Are our business education programs too narrow by not including knowledge about the broader realities? Might faculty not be endorsing and taking full advantage of the Wall Street Journal, Business Week, Fortune and other educational discount programs available to students?