

Economic knowledge of adult Poles – research results

Wiedza ekonomiczna dorosłych Polaków – wyniki badań

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Key words: economic knowledge, economic relations

Abstract

In the article research analyzing the level of the economic knowledge of adult Poles was described. Analyzing both subjective, measured with the scale of self-assessment and objective, through the test of message, aspect of the knowledge to economic themes. The test included three groups of issues: 1) acquaintance of current economic indicators and selected public charges, 2) define basic economic notions, 3) understand the relation between individual economic phenomena. Obtained data shows, that the examined group of adult Poles has on the average level knowledge, however not-allowing to full understand principles of free economy market functioning.

Słowa kluczowe: wiedza ekonomiczna, zależności ekonomiczne

Abstrakt

W artykule przedstawiono wyniki badań analizujących poziom wiedzy ekonomicznej dorosłych Polaków. Analizowano zarówno subiektywny, mierzony za pomocą skali samooceny, jak i obiektywny, poprzez test wiadomości, aspekt wiedzy na tematy gospodarcze. Test wiadomości obejmował trzy grupy zagadnień: 1) znajomość wysokości bieżących wskaźników ekonomicznych oraz wybranych obciążeń publicznoprawnych; 2) definiowanie podstawowych pojęć ekonomicznych, a także 3) rozumienie zależności pomiędzy poszczególnymi zjawiskami ekonomicznymi. Uzyskane dane wskazują, że badana grupa dorosłych Polaków posiada wiedzę na poziomie średnim, niepozwalającym jednak na pełne zrozumienie zasad funkcjonowania gospodarki wolnorynkowej.

Introduction

One of many consequence conducted political transformation and introduction the free economy market in Poland is a change of conditions and possibilities of taking economic decisions by individuals. In current conditions units have at their disposal large amounts of available alternatives, as well as greater freedom of choice economic behaviors in the sphere of money management, taking consumerist and professional decisions. However simultaneously, common observation of numerous examples of irrelevant decision-making, consequently leading to financial (e.g. abundant debt) or professional (e.g. loss of work) problems shows that in many cases our society most probably

doesn't have indispensable resources at its disposal for effective action in free market.

One of factors that significantly affected the ability individuals to deal with the surrounding reality and often translatability decisions taken is the level of economic knowledge. Persons, who are able to assess their financial abilities in the context of current economic reality, probably won't be prone to overconsumption by contracting next credit and loans, because they will be aware conscious of money associated with this cost. By analogy, acquaintance of mechanisms involved with investing money on the financial market could prevent some of the Polish entrepreneurs and investors against risky decisions, which during recent economic crisis led to the collapse companies so far

dynamically operating, as well as for loss of many private investors' savings. The reading of conducted interviews in daily and industry press with persons responsible for taking these investment decisions, often indicated that they didn't have a sufficient knowledge about principles of functioning purchased financial instruments.

Economic knowledge may be considered on three dimensions:

- acquaintance of the current economic indicators and public charges,
- ability of defining economic notions,
- understanding rights and economic relations.

Knowledge of current economic reality without understanding notions and economic relations isn't sufficient for accurate predicting economic changes, and then for taking appropriate economic decisions. Similarly, the acquaintance of notions and economic rights without knowledge about the current state of the economy, may also be insufficient for efficient managing individual or institutional resources.

Analysis of available literature shows that in Poland research to estimate the level of economic knowledge are relatively rarely conducted. Accessible results show that Poles knowledge in the scope of economy is fragmentary and mainly refers to information publicized in mass media (inflation, rates of the tax return) and such which directly concern examined (e.g. statutory working week) [1]. It is important to emphasize that the internal cohesion of this knowledge is very low, so respondents can know only some facts, but don't notice the interrelation between individual macroeconomic units. Should noted that Poles display particularly a high self-assessment in relation to the economic knowledge, because almost half of respondents assess it as sufficient, whereas 22.8% as good or very good. Only less than 1/3 evaluates it as a weakness. These results remain in contradictions with the level of Poles economic knowledge, but confirm the psychological correctness, about the fact that people have a tendency to overrating their abilities and knowledge. Similarly, almost half of examined persons declared an interest in the economic information, but less than 30% were actively seeking them. However, to over half these messages reach only or mostly occasionally.

Issues of conducted research

Presented research were undertaken in order to estimate the current level of Poles economic knowledge. In the sequence of last years, in our country a lot of educational actions were conducted, aimed

to deep knowledge concerning functioning of the economy amongst children, young people, as well as adults [2]. These actions were aimed including within its scope to cover the widest sections of society, living in small and big cities, and differing in the level of education and profession carried. Moreover, in relation to recalled already economic crisis and attendant investment failures of many institutional and individual subjects, the need of economic education of polish society has been emphasized by mass media, politicians and financial experts in our country. So, it is possible to assume that as a consequence of these actions, the level of knowledge concerning the functioning of economy, including the relationships between its individual elements amongst the Polish society will increase. It is worthwhile also to recall that research analyzing understanding economic world among Polish children and young people point at the visible growth tendency in this respect [3]. Therefore, diagnosis of the current level of adult Poles' economic knowledge, as well as estimating changes in this respect compared to conducted research four years ago, that is before the discussed economic circumstances took place, were an aim of undertaken research.

Research of the economic knowledge level was conducted on the basis of questionnaire form specially drawn to this purpose, measuring subjective (scale of the self-assessment), as well as objective aspect of the economic knowledge. According to rewarded in point 1 areas of economic knowledge, the diagnosis of knowledge level is held with a multiple-choice test referring to 3 areas:

Facts – the scale consists of 8 questions measuring the degree of acquaintance level of current economic indicators and chosen public charges in the year preceding the year of research (e.g. rates of unemployment, growth in the economy, rates of the tax return);

Notions – the scale of 16 positions concerning defining economic notions (e.g. inflation, growth in the economy, unemployment);

Understanding rights and economic relations – the scale of 10 positions referring among others to the relation between inflation and tendency to consume, supply of goods and its price).

Research

Presented research was conducted on 140 persons (73 men, 77 women) group of adult Poles in age from 19 to 72 (average: 30.90) years. In the predominating majority (97%) examined persons had an education at least averages (including 52%

higher), and were also professionally active. Every fourth examined (41%) was the employed in private enterprises, next 18% was recruited out of employees public sector, whereas 14% worked in state enterprises. Remaining persons in the moment of research were without work or stayed on the retirement / disability pension.

On the following graphs (Fig. 1) show results obtained by examined in the test measuring individual aspects of the economic knowledge level, and compares them with the results conducted in 2007 [1].

Analysis of results presenting the actual level of economic knowledge referring to its three scopes preceding graphs depicting the self-assessment expressed by examined persons of knowledge in the discussed scope and declared interest are usually preceding the economic matters.

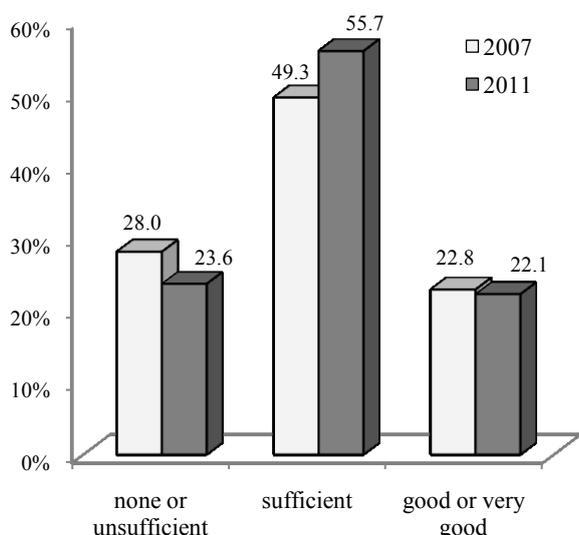


Fig. 1. Self-assessment of the economic knowledge
Rys. 1. Rozkład wyników – samoocena wiedzy ekonomicznej

How it is seen from the above graph, both in 2007, as well as in current research overwhelming majority of respondents believed that their knowledge of economic issues is at least sufficient. However, every fifth examined Pole expressed conviction about his good or very good orientation in the economic issues.

The positive evaluation of own economic knowledge is probably connected with the declared by the examined everyday interest in economic issues, what shows next graph (Fig. 2).

Results points decrease in declared by examined persons interest in news about the economic subject in the course of few last years and are unexpected in the context of subjective beliefs of examined about having at least adequate economic knowledge. Additionally, how next graphs shows, despite

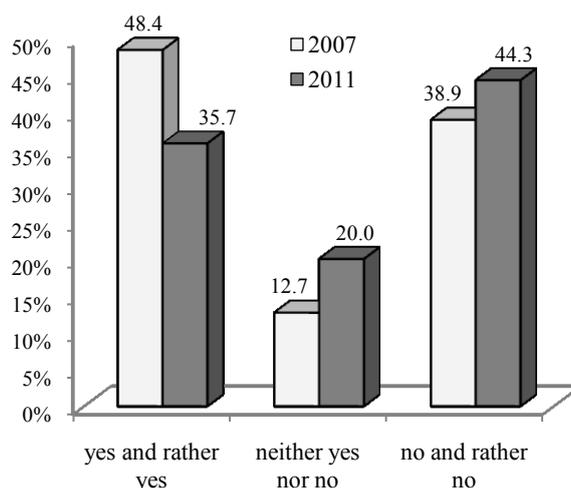


Fig. 2. Declaring interest in the economic information
Rys. 2. Rozkład wyników – deklarowane zainteresowanie informacjami ekonomicznymi

of decrease in the declared interests, research referring to the objective economic knowledge level shows an increase in actual knowledge of Poles in the last few years.

As already noted, one of the economic knowledge accepted indicator was a degree of economic variables' knowledge, e.g. inflation, economic growth, basic rate of the tax VAT, average monthly net remuneration in the year preceding the year of research. The figure 3 shows frequency of results in this respect.

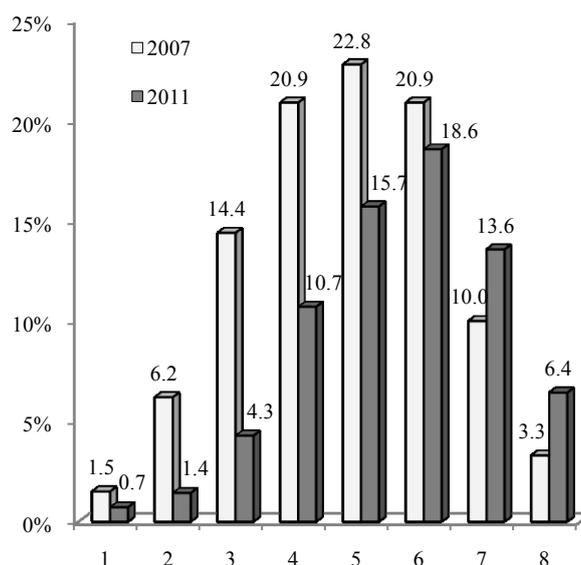


Fig. 3. Results of the economic knowledge – facts
Rys. 3. Rozkład wyników wiedzy ekonomicznej – fakty

The above graph shows increase in the level of economic knowledge relating to the knowledge of current economic realities among adult Poles. If consider that less than four correct answers to eight asked questions from this scope, it is an insufficient

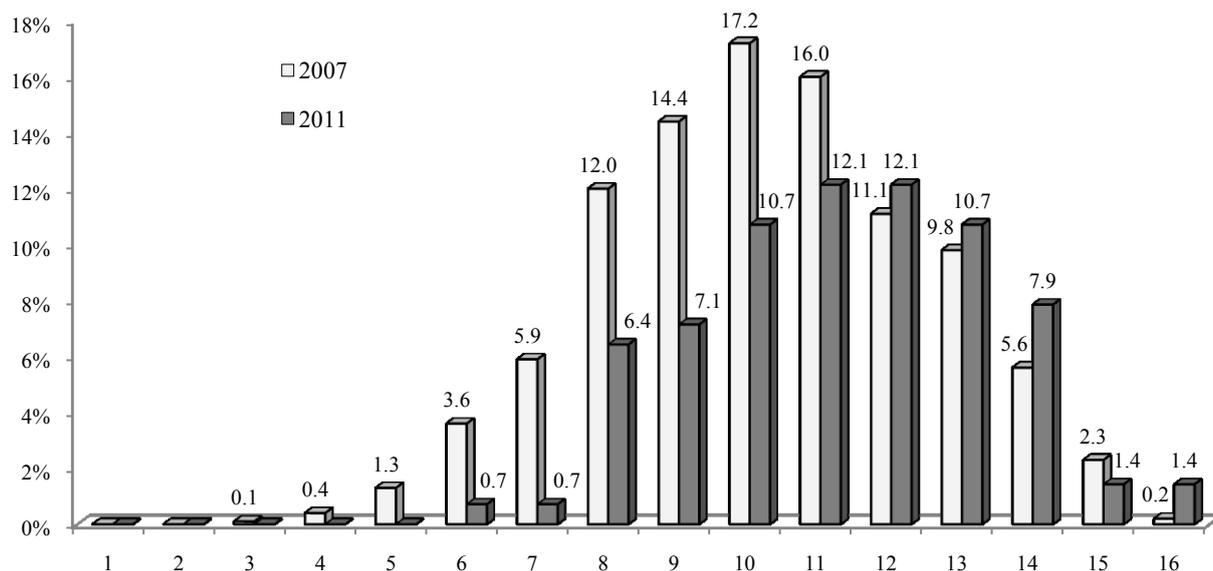


Fig. 4. Results of the economic knowledge – defining economic notions
Rys. 4. Rozkład wyników wiedzy ekonomicznej – definiowanie pojęć ekonomicznych

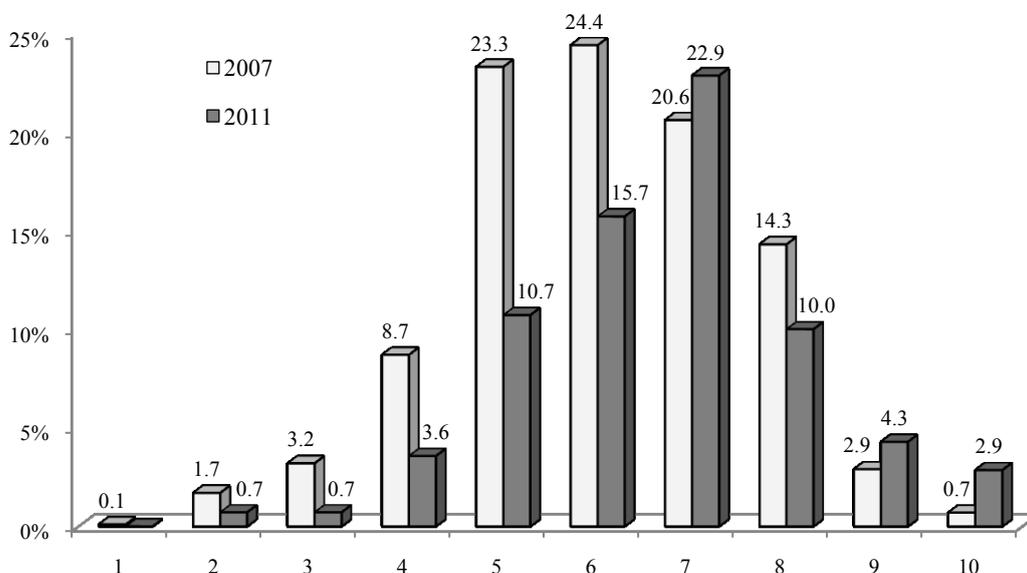


Fig. 5. Results of the economic knowledge – understanding rights and economic relations
Rys. 5. Rozkład wyników wiedzy ekonomicznej – rozumienie praw i zależności ekonomicznych

result, so according to achieved results 20% respondents in the previous examination and less than 7% in present, doesn't have an adequate knowledge in relation to the current macroeconomic indicators and public charges. Whereas the good orientation in these issues in 2007 had 13%, and at present 20%.

With reference to the frequency of the answers to questions about understanding basic economic notions (e.g. inflation, privatization, economic growth, linear tax), the same tendency in two discussed examinations to differences between results is presented on figure 4. Additionally, the level of knowledge observed amongst examined persons in this respect is a little bit higher than the level of

knowledge concerning current economic indicators and public charges. Only 11% of respondents in 2007 and less than 2% examined in 2011 wasn't able to grant correct answers to the half of questions. However, correctly it answered the majority of questions 15% of adults respondents in the examination conducted in 2007 and almost 20% examined adults at present. The knowledge from the scope of acquaintance basic economic notions of the majority examined persons can be determined as average.

The next picture (Fig. 5) summarizes results achieved by persons examined on the third level of economic knowledge referring to understanding

basic economic rights and relations. Questions in this part of the questionnaire concerned relation e.g. between the inflation and a) deposit interest rates bank, b) level of the remuneration with the supply of goods and its price, with the unemployment and a) GDP or b) recession.

If to imply the same, like in case of results within the scope of facts and economic notions, criterion of the evaluation, in 2007 year 37% of respondents weren't able to grant correct answers to at least half of questions in this scale. Research carried out four years later, again shows an increase in the analyzing aspects of economic knowledge, because in this respect less than 17% of respondents an insufficient knowledge had. However, good knowledge of basic economic relations demonstrated in both research nearly 20% of persons.

Conclusions

Presented in the article research analyzed the level of subjective and objective economic knowledge of adult Poles. Research were conducted in the interval of four years, during which worldwide economic crisis took place. Its consequences, in the form of rise in unemployment, financial difficulties, quoted already examples of investment failures or problem in the repayment of mortgages incurred in foreign currency, resulting from depreciation of the Polish zloty certainly concerned many inhabitants of our country. Simultaneously, at that time by media a wave of economists, journalists and politicians discussions aimed to seek causes of the current crisis and search for preventing means against its negative effects. So, it was believed that this special economic situation could induce examined persons to seek information in the economics field, thanks to which they could in the future minimize the risk of negative consequences of individual phases of the economic cycle. This would direct reflected in the level of economic knowledge possess by Poles, as well as their interest in the discussed issues.

Research shows that although there were no significant differences in the subjective evaluation of own economy knowledge level, carried out by examined persons, respondents answers relating to

three appointed scales of the economic knowledge are indicating for better acquirement on these issues of examined persons in 2011 year comparing to examined persons in 2007 year. In this context, different from expectations turned out to be only a result declared by the respondents interests in economic news, because at present it's lower than four years ago.

However, it should be noted that two analyzed examinations were conducted on two different groups, what require carefulness in the ambiguous evaluation of achieved results. The diagnosis of the Polish society economic knowledge state in 2007 was conducted on 826 – personal random sample, representative among others in terms of education, whereas in the current research the sample was much less numerous, predominated in it persons with the higher education. Better results obtained in knowledge test could result not only from the improvement level of economic knowledge in the sequence few last years, but also from the higher education level which may result in better general knowledge of people forming the sample in second research. This fact may also interpret greater knowledge of these persons at simultaneous declaring smaller interest in discussed issues.

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