

THE ECONOMIC LITERACY OF QUEBECKERS

CIRANO Note prepared by Mathieu Laberge, from a report by Jim Engle-Warnick, Julie Héroux, Claude Montmarquette et Nathalie Viennot-Briot, October 2010

In recent years economic matters have received widespread attention: the LNG terminal in Levis, uranium mining in Sept-Iles, wind farms on the Gaspe peninsula, shale gas development in Montérégie, the Cirque du Soleil construction project in Montreal, etc. On several occasions. societal and community considerations sidelined were by economic considerations. According to some, we are sinking into deadlock. How do we explain this reaction of Quebeckers? Are they adequately informed about the economic ramifications of large projects? Do they want to be more informed? Do they know where to find relevant information. Are their opinions shaped by their knowledge? A new CIRANO report takes a closer look at the issue. Thus: Quebeckers, are they economic heroes or wimps?

Serious shortfalls in terms of knowledge

The report begins with the results of an extensive survey of 1000 Quebeckers. Respondents were asked questions about their understanding of economic concepts and facts, as well as their opinions on economic issues. The results of this survey were surprising.

Only 17% of respondents were able to identify healthcare, education, and servicing the debt as the three biggest items in the expenditures of the government of Quebec. Also, only 14.7% of respondents knew the share of government expenditures on education to within plus or minus five percentage points. As to debt servicing, the rate of correct answers was 12.7%.

Conversely, many survey participants overestimated the size of other items in the provincial government's budgetary expenditures. For example, 50% of respondents believe that administrative costs represent a quarter, or more, of the Quebec government's total budget. The actual percentage represented by administrative costs in total government expenditure is 4%. On average, one respondent in five believes that the environment receives 16 times its actual government funding.

Questions on the share of the cost of various government services assumed by users also yielded a wide diversity of answers. Only 46% of survey participants knew that one annual doctor's appointment is free. Similarly, 19.2% of respondents believe that a concert-goer attending a performance of the Montreal Symphony Orchestra pays over 90% of the cost. In fact, this percentage is nearer to 30%.

A hunger for information

Overall, Quebeckers obtain a correct response rate of approximately 33%. This performance does not differ from results reported in the United States for similar studies. Many Quebeckers are, however, interested in improving their economic literacy. Nearly 84% of respondents to a survey expressed a personal interest in watching a television show designed to explain how the economy works.

Quebeckers' opinions

In Quebec there is some consensus on various issues, such as government debt and the need to reduce government spending, among others. Ideologies shape opinions, but also knowledge.

Concerns regarding the role of the Internet

During the survey, participants were asked whether they used the Internet to answer the questionnaire. Consulting the Internet was allowed. Surprisingly, respondents who declared having used the Internet to answer the questions did not post better scores on questions of fact. In some cases, using the Internet actually had a negative impact on the rate of correct responses.

This led Claude Montmarquette, one of the authors of the study, to state that "in the absence of a basic grounding, recourse to the Internet can be confusing."

To read the report "Les Québécois et les rouages de l'économie québécoise," written by Jim Engle-Warnick, Julie Héroux, Claude Montmarquette, and Nathalie Viennot-Briot, see:

http://www.cirano.qc.ca/icirano/?page=5&l=en