

CONSUMER PROBLEMS OF THE LOW-INCOME
Reaction to David Caplovitz' Background Paper
by
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Consumers Union has been reacting to Dr. Caplovitz' study for the past six months. One reaction was to make a survey of consumer education for low-income families living in cities. Like everyone else, we had heard a great deal about the "culture of poverty"--that poor people were apathetic and hard to reach, that they were not interested in consumer education, that those who most needed help could not be helped. In one sense, that last statement may be true. Where problems in buying are only a symptom of deeper, pathological problems, consumer education alone won't be of much help, whether the family is rich or poor.

But other things equal, we have found that poor people are more conscious than others of their difficulties as consumers. If they do nothing about these difficulties, it's because they either don't know what to do, or feel that there is no solution.

Dr. Samuel Myers, in the initial phases of a study in Baltimore, found that low-income families were more likely to feel they had been cheated than were their middle-class counterparts. This was true both of Negro and white families. Edward Marsalek of the Consumer Frauds Bureau of the Illinois Attorney General's office, who talks about installment contracts to groups at every income level, reported: "The lower the income, the more complaints." Others who work with low-income families have reported the same findings.

Many groups are becoming active, or more active, in this field. Extension workers are an important example. Civil rights groups--like the New York City Commission on Human Rights, the Mayor's Committee on New Residents in Chicago, and the Baltimore Urban League--have active and expanding programs. Yet, in comparison with need, very little is being done. Most low-income families still are not reached.

As one phase of our survey, we wrote to the welfare departments and the housing authorities of the 20 largest U.S. cities--the agencies that, by definition, deal with low-income families. We asked each of these agencies whether it was offering any consumer education to its clients and if so, what were the content and the approaches. Of these 40 agencies, we found only nine having anything that could be called an organized program of consumer education. And even these programs reach only a small percentage of the families.

Although objective criteria were lacking, we tried to look at the quality as well as the quantity of the consumer education we were able to observe. We felt that a distinction should be made between education and information; a good deal of what goes on amounts only to transmitting or trying to transmit information. Unless there is a change in buying behavior or in the attitudes that control such behavior, there has been no real consumer education.

We wonder whether the basic reason for apathy--among high-income and low-income groups alike--is a sense of helplessness. Consumers need information, but they also need the will and the conviction to use this information in a way that will get them more value for their dollars.

How is consumer education carried on? We found it done in a number of ways.

1. Teaching.

Many programs were based on a teacher-learner situation. This took a number of forms.

A family agency in Chicago, for example, invites newcomers to attend a neighborhood center where they can make a hat or a dress. In the course of this project they learn also to shop for fabric, to cope with a super-market, to plan better management of family income.

Literacy classes in New York, Chicago, and St. Louis have used consumer education as subject matter, because this subject was interesting to adults, even those who can't read and write.

A consumer course may be called home economics or "Getting More for Your Money." In Baltimore, consumer education is the focus of a project on family living.

An interesting development in some cities is the training of welfare clients as homemaker aides. These women not only learn to run their own households better, but they are assigned to teach other women who need help.

2. Organization.

A second approach to consumer education is organization. In East Harlem, for example, a single organizer aided in the establishment of:

(a) A Consumer Protective Committee that picketed a supermarket to protect discriminatory prices and conditions. People joined the picket line who had not before been involved in consumer activities. And it got results--not only in the supermarket picketed, but in others.

(b) An informal food buying cooperative for meats, vegetables, and rice.

(c) Two credit unions (one of which now plans formal consumer education). The importance of credit unions can hardly be overestimated. They free those families qualified to borrow both from high interest rates and from the compulsion or near-compulsion to buy overpriced products at "easy credit" stores.

3. Protection.

Unfortunately, many consumers become aware of consumer problems only after they have been entrapped in obligations they can't meet. In New York City, some unions provide legal aid for members in trouble with installment payments. Legal aid is given also by such organizations as the Legal Aid Society and by consumer fraud bureaus. Some social agencies have established Consumer Clinics where people can get help with problems of debt and fraud.

Little research has been done on what approaches produce results in consumer education with low-income families. However, it's possible to formulate a few hypotheses:

1. Be personal. The success of door-to-door peddlers, often considered friends of the family, underlines the importance of a face-to-face approach.
2. Be realistic--recognize the family's real problems.
3. Accept with respect a different way of life. Whether people's behavior is wise or unwise, there is usually a reason for it.
4. Recognize barriers as well as natural channels of communication. Attempts to establish credit unions in New York City housing were fruitless until the Housing Authority withdrew its own personnel and left the organizing to churches, neighborhood agencies, and the New York State Credit Union League.

If the Peace Corps can go into Africa and South America and do good work among people whose whole lives and ways of thinking are so different from their own, surely we can learn to be effective among our fellow-citizens in our own country.