

Implications

There are two conclusions which can be drawn from the five studies summarized above. The first is that, for many products and in many markets, the relationship between price and quality is weak which implies that consumer information is inadequate. Jung (4) and Geistfeld, Maynes and Duncan (3) found extensive price variation to exist in various markets for products of the same quality. Duncan (1) and Geistfeld (2) found the association between price and quality to be lower when it is more difficult for consumers to assess product quality.

The second point is that there may be substantial benefits to search for consumers. Maynes (6), Jung (4) and Geistfeld, Maynes, and Duncan (3) found large differences between the lowest and highest prices for several products. Stigler (9) demonstrated that the greater the variability in product prices, the greater is the payoff to consumer search in terms of lower prices. Therefore, in product markets where ignorance is high, it will pay for consumers to engage in search.

The implication which can be drawn from this suggests the need to make the marketplace environment more conducive to consumer search. Efforts should be made to increase the quantity and quality of consumer information. The concept of caveat emptor may have been appropriate in the days of washboards, horses and whale oil lamps, but in the age of computers it is too difficult for the average consumer to possess the skills needed to assess product quality. Significant consumer ignorance leads to a breakdown in the marketplace since price is no longer an effective vehicle of communication between buyers and sellers. Surely, even in an era of supply-side economics this is something which cannot be ignored.

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TIME CONSUMED IN MEAL PREPARATION AND ITS SUBSTITUTION BY PURCHASED MEALS: AN ANALYSIS OF DUAL AND SINGLE WAGE EARNER FAMILIES

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Abstract

The allocation of time is an important indicator of the quality of life and societal changes. Since it can be expected that the current trend toward more dual wage earner families will continue, data on how these families allocate and consume time will be useful for future consumer decision making and for those who study consumer behavior. The women's liberation movement has been a factor in the trend toward increased dual earner families. The relationship of purchased services, i.e. meal preparation, and others' time use is explored. Mothers' employment is related to meal preparation time but not to the substitution of buying meals away from home in terms of dollars allocated. The age of the youngest child is important in explaining away from home meal expenditures. Implications for research and future lifestyles are discussed.

Time becomes a scarce resource as societies strive to increase their level of material culture. People become ruled by the tyranny of the clock, and activities are done for the sake of something else, rather than for their own intrinsic worth. In modern societies people operate under a "famine" of time rather than an abundance (Linder, 1970). The allocation of time is an important indicator of the quality of American life and societal changes. Our post-industrial, consumption-oriented society has been characterized by heavy dependence on and organization around the clock (Bell, 1975). The growing "scarcity" of time, even with enormous technological "improvements" reflects the values functioning within our society.

It is speculated that in the future the current desire for high quality leisure will continue. The pressure for maintaining a fast-paced lifestyle may result in less than adequate decision making, as well as inefficient consumption of time. The complexities necessitated by utilization of products and services may consume even more time.

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³The following section briefly reviews major studies of relevance to this article. For an exhaustive review of time and consumer behavior see Jacoby, Szybillo and Berning (1976).

Besides these changes in basic consumption patterns, there is a high likelihood of continuing changes in the organization and structure of American families. There is a trend for more dual wage earner families in an inflationary economy. Each year since the 1950's the percentage of women holding employment outside the home has increased. In January of 1979, 48.8% of all married women held outside employment (Consumer Views, 1979). The likelihood of the wife being gainfully employed is influenced by her age, presence of children, and her educational level (Rawlings, 1978). This steady increase in the number of women working outside the home can also be attributed to a number of societal factors. Among these is the impact of the feminist movement, which has encouraged women to explore alternatives to the traditional role of full-time mother/homemaker/wife. The favorable social climate which has resulted from the women's movement has brought about new opportunities for employment as well as laws that support equal access. Inflation and the pressures of the unstable economic situation in our country also have prompted more women to seek paid employment.

As more wives share breadwinning responsibilities it has been speculated that wives will expect husbands to become more involved in carrying out the childrearing and housekeeping responsibilities of the family. Haas (1980) specifically mentions the women's movement as having led wives to believe that doing double work is unfair and made them feel more receptive to husbands' sharing of household tasks.

By looking at people currently in these lifestyles it is possible to gain a sense of how these lifestyles in the future may impact on consumer needs, demands, and decision making. Since no single piece of research can adequately address all possible relevant variables, this investigation is limited to a comparison of dual wage earner with single wage earner families, relative to the consumption of time in one particular household task--meal preparation--and dollar expenditure on meals away from home. Variables include the stage of the family life cycle and the substitution of purchasing meals away from home for meal preparation time. It is expected that this investigation will lend perspective to other time-consumer behavior relationships.

RECENT EMPIRICAL STUDIES OF FAMILY TIME USE³

Walker and Woods (1976) reported in their 1967-68 study that in two-child families where the wife was not employed outside the home, an average of 8.4 hours per day was consumer in domestic chores.

In similar households where there were two earners the mother averaged 5.9 hours per day in these tasks. Robinson (1977) has reported that employed wives in his study reduced the hours per week consumed in household labor from 26 hours in 1965 to 21 hours in 1975. This same study reported that a shift in responsibilities among family members had not occurred, however, as women still did 80% of the housework, including childcare. Husbands increased their time in household work from 9 hours to 10 hours per week over the ten-year period. Walker (1973) reported that husband's contribution averaged 11 hours each week. She found that, even if the wife took outside employment, the husband's average weekly household work did not increase. Steidl and Bratton (1968) reported that although the time requirements of specific household work have changed in the last 40 years, the average total time for this work has remained about the same. Food preparation time and after-meal cleanup took 30 minutes less per week in 1967 than it did in a similar study conducted in 1927. Over this same period of time, the average time spent in marketing, record-keeping, and management increased by 30 minutes.

Hall and Schroeder (1970) reported that homemakers with only older children spent more time in meal preparation (16 hours per week) than those with younger (13.8 hours per week) or no children (10.0 hours). Walker (1973) found that women spent a minimum of four hours in household work. This time expenditure increased with the number and age of children--especially young children. The employment of the homemaker for 15 hours or more per week also was a strong indicator of the time spent in household work: if she was in the labor market, fewer hours went into work at home.

There is evidence of an increasing trend toward two-earner families. Both spouses were employed in half of all husband-wife families, according to 1978 labor market surveys (Johnson, 1979). In families with children under 18 years of age the rate of dual employment has increased from 40% in 1970 to 50% in 1978. Data from the Urban Institute (Smith, 1979) indicate that two out of three mothers in this country may be employed away from home by the year 1990.

RECENT TRENDS IN AWAY FROM HOME FOOD CONSUMPTION

The Conference Board (Malabre, 1978) reported that families in which both spouses were gainfully employed spent 25% more money in restaurants per year than in those families in which only the husband was employed. In 1977, food bought and eaten away from home accounted for 24% of the food dollar (Bowen, 1979). This same study reported that meals bought and eaten away from home were 2.6 times as costly as meals at home. Manchester (1978) reported that there was a 165% increase in total dollars in sales for food away from home between 1965 and 1975. He attributed this dramatic change to the increase in the number of women employed outside the home and to rising consumer incomes.

Although many meals are consumed away from home, about 85% of the meals eaten by household members are from home food supplies (Rizek and Peterkin, 1979). Very little of this food comes into the household totally ready to serve. Food preparation has been one of the major influences on household work time and it is also an activity traditionally assumed by the wife/mother. Vanek (1974) reported that time consumed in preparing food and in cleanup has decreased but these activities remain the most time consuming aspect of housework.

CONCEPTUAL FRAMEWORK AND HYPOTHESES

The examination of recent empirical studies of family time use and away from home food consumption lead to several conclusions about family time use. First, increasing employment of wives outside the home increases the scarcity of time to meet other role expectations. Food preparation activities, as major components of household production, are prime candidates for reduced time expenditures. There is evidence that the purchase of meals away from home may be the result of reallocation of homemakers' time. Further, stage in the family life cycle appears to have a significant impact on time allocation patterns and thus would be expected to impact on the reallocation of time relative to food preparation. From these conclusions are drawn the following hypotheses to be tested:

1. Time consumed in meal preparation is significantly lower (.05 level) in families with employed wives.
2. There is a significant difference (.05 level) in time consumed in meal preparation across 5 categories of age of youngest child, with the higher amounts of time consumed when the youngest child is between the ages 12-17.
3. Time consumed in meal preparation in families with non-employed mothers and youngest child 12-17 is significantly higher (.05 level) than that in the other possible combinations of employment and age of youngest child.
4. The average expenditure for meals away from home is significantly higher (.05 level) in those families where the wife is employed.
5. The average expenditures for meals away from home is significantly lower (.05 level) in those families where the youngest child is under 6 years of age.
6. The average expenditure for meals away from home is significantly higher (.05 level) in those families where the mother is employed and the youngest child is 12 years of age or older.

METHODOLOGY

Sample selection and sampling procedure for this study was constrained by its place in a larger national study of time use patterns--The Interstate Rural/Urban Comparison of Families Time Use (Northeast Project 113). While the sampling

procedure places certain limitations on the ability to generalize these findings to a larger population, it does provide a reasonable sample for testing the above hypotheses.

Data were gathered from January 1 to December 31, 1978, from a stratified random sample of 210 families from both rural and urban Wisconsin. Family census data collected by school systems (Madison for urban, 4 nearby districts for rural) were used to draw a sample of two-adult, two-child households. The sample was further stratified by age of the youngest child (under 1, 1, 2-5, 6-11, 12-17 years). Day of the week and season of the year were controlled through scheduling of interviews throughout the year, with each day of the week within each season equally represented in each cell. Possible differences due to climatic conditions, different days of the week, holiday schedules and school vacations are therefore controlled.

Two personal interviews were used for collection of these data. Clarification and instructions were presented at the first interview. Information about household members' activities for the previous day was recorded by the interviewer at this interview. Instructions were given for the respondent to record activities on the following day. The interviewer then returned to collect the time charts and complete the interviewing.⁴

Actual time spent in each household work category was recorded on a printed time chart in 10-minute increments for two days. Household work is defined as the activities performed in the household by its members to create the goods and services necessary for the unit to function. Among the 19 categories of work are activities such as physical and nonphysical care of members, care of clothing, housecleaning and management. Primary, secondary, and travel time were recorded for each household member over the age of six.

VARIABLES AND RESULTS

The first dependent variable in this analysis is meal preparation time (MPT) consumed by the wife. Both primary and secondary time are included in this analysis. When an activity of a worker engaged their full attention it was recorded as primary time. When some work on an activity was done while the worker's primary attention was on another activity, this was recorded as secondary time. For example, the preparation of breakfast with no attention to other activities was recorded as primary food preparation. One can cook a roast while primarily engaging in play with children. This is an example of secondary time in meal preparation.

⁴For more detailed information on sampling and methodology, see Walker and Woods, 1976. More information about the Wisconsin sample can be obtained from authors.

In this study, food preparation includes all tasks relating to the preparation and serving of food for meals eaten at home on the two record days. Preparation of food for snacks, packed lunches, and special meals for children are included in this category. Time spent on activities involved in dishwashing, after-meal cleanup, menu planning, and food shopping are not included in the food preparation category. The wives in this sample consumed an average of 154 minutes over 2 days, or 77 minutes per day, in meal preparation. Primary time reported in food preparation is 145 minutes over two days, or 73 minutes per day.

The Pearsonian r between meal preparation time and number of hours of wife's employment is $-.12$, which is significant at the $.04$ level. This is the best predictor of meal preparation time for this sample rather than the age of the youngest child ($r = -.07$; $p = ns$) or total family income ($r = -.03$; $p = ns$). Controlling for total family income and age of the youngest child by partial correlation does not change this relationship.

An average of 169.8 minutes are consumed by non-employed wives in meal preparation over the two-day period. Wives who usually consume more than 15 hours in the provider role each week consume 140.1 minutes total MPT.⁵

The results of a two-way analysis of variance show a significant main effect for employment status ($F = 5.285$; $df = 1$; $p < .02$) and thus Hypothesis One is supported.⁶ Whether this is socially significant is another matter. The difference per day amounts to about 12 minutes. This means the nonemployed wife spends about 1.4 hours more in meal preparation per week or 72.8 hours more during a year.

Depending upon whether time is viewed from a cyclical clock perspective or a linear calendar perspective may influence the social significance of this finding. Is 12 minutes a day considered a major difference? It may be if one sees a day composed of only 24 hours to be consumed by all the various roles one must play. If one takes a more linear view of time, 12 minutes per day, even though amounting to 73 hours over a year, may be seen as miniscule.

The zero-order correlation between the age of the youngest child and MPT is $-.07$, which is not significant. Controlling for total family income

⁵Walker and Woods' meal preparation category includes only primary time in regular meal preparation. The figures reported here include both primary and secondary time in all meal preparation, including snacks. To be consistent with this earlier study, employed and nonemployed are dichotomized at 15 or more hours as employed and unemployed 14 or less hours.

⁶A complete set of tables can be obtained from the authors.

and the number of hours the wife is usually employed by partial correlation does not alter this relationship. Table 1 shows the average hours per day consumed in meal preparation by the age of the youngest child and employment status of the homemaker.

TABLE 1. Average Hours Per Day in Meal Preparation Time by Employment Status of Mother and Age of Youngest Child

Age of child	Employed ^a	Not Employed ^b	Difference ^c
12-17	1.2	1.1	-.1
6-11	1.0	1.7	+.7
2-5	1.2	1.5	+.3
1	1.5	1.4	-.1
<1	1.0	1.4	+.4
total	1.2	1.4	+.2
grand X = 1.3			

^aUsually employed 15 or more hours per week

^bUsually employed 14 or less hours per week

^c+ indicates that not employed consume more time

As can be seen, the employed mother usually consumes about the same amount of time in meal preparation in three of the categories of age of the youngest child as her nonemployed counterpart. The larger exceptions are when the youngest child is between the ages of 6-11, where she consumes approximately 42 minutes per day less, and when the youngest is under 1, where she consumes 24 minutes less in meal preparation. Walker and Woods' study (1976) found basically the same relationship, with employed mothers spending less time in meal preparation for each age category of the youngest child. However, they usually found larger differences than the present study between employed and nonemployed mothers for each category of age of the youngest child. The one exception was in the 6-11 age range, where they reported a 24-minute difference compared to the present study's finding of 42 minutes.

Looking at the main effect of age of the youngest child on MPT in the results of a two-way analysis of variance shows that the F statistic is not significant ($F = .704$; $df = 4$; $P < .59$). Thus Hypothesis Two predicting a difference in MPT by age of the child is rejected.

The two-way ANOVA also provides a test of Hypothesis Three, that there will be an interaction effect of the employment status of the mother and age of the youngest child. Even though MPT varies by age categories across the two employment statuses of the mother (Table 1), the F statistic

for the interaction effect is not significant at the .05 level ($F = 1.775$; $df = 4$; $p < .14$). Based on this information, Hypothesis Three is rejected.

Some mothers allocate time to the provider role rather than to the task of meal preparation, which traditionally has been part of the mother's homemaking role. This differential time consumption pattern is only significantly different for the aggregate data. When disaggregated by stage in the family life cycle the differences in MPT allocations are not statistically significant.

When the wife/mother is working outside the home, it is plausible that she and the rest of her family can afford to purchase some of the traditional tasks associated with the homemaking role. Ferber and Birnbaum (1979) support this contention that when the wife/mother is consuming time in the provider role and in the housekeeping role the burden can be reduced somewhat by substituting more goods and services purchased in the market (such as meals at restaurants) for home production. Hypotheses Four through Six are specifications of this relationship.

As income increases, the percentage of money spent for food eaten away from home increases (Rizek and Peterkin, 1979). A relationship ($r = .18$; $p < .01$) is found in these data between annual family income and expenditures for meals eaten away from home (EMAFH).⁷

Surprisingly, these data show no relationship between the number of hours the wife works outside the home and total family income ($r = -.07$). There is, however, a positive correlation between the number of hours she works and EMAFH ($r = .15$; $p < .01$). There is a highly significant inverse relationship between MPT and expenditures for meals away from home ($r = -.25$; $p < .001$).

Hypothesis Four predicts a higher expenditure for meals away from home in those families with employed wives. This hypothesis is not supported by the data.

Since total family income is correlated with EMAFH, analysis of covariance is used to control for this relationship. The average expenditure for meals away from home by all family members over the two days observed is \$4.47 in nonemployed wife families, and \$6.72 in employed wife households. This is a non-significant difference ($F = 1.436$; $df = 1$; $p < .23$) and Hypothesis Four is rejected.

Hypothesis Five predicts a difference in EMAFH by age of the youngest child. When the child is under the age of one, for example, special foods need to be served and it is more inconvenient to

⁷EMAFH is the amount of money spent for any meal purchased at a fast food outlet, restaurant, or private club or resort by any family member during the two days.

take the baby and all the necessary paraphernalia such as diaper bag, toys, bottles to a restaurant. As the child gets older, it is more convenient to eat out. Also, as children get older they eat larger quantities and thus more money might be spent. Teenagers especially might be eating out as a leisure or recreational activity. The main effect for age of child computed by ANOCVA is significant ($F = 3.456$; $df = 4$; $p < .009$). Multiple comparison follow-up procedures show that the means for age categories 6-11 and 12-17 are significantly different at the .05 level from the means in younger categories. Consequently, Hypothesis Five is supported.

Hypothesis Six is built on the rationale that older children eat more as well as eat out more often, and that families with employed mothers can afford this option more than families with non-employed mothers. Table 2 lists the mean expenditures for meals away from home for each category of age of the youngest child by employment status of the mother. The per day averages are obtained empirically, while the other figures are projections. The families with the youngest child in the 6-11 and 12-17 categories spend more for meals outside the home in both dual wage earner and single wage earner households, with the largest expenditure found in the 12-17/employed mother grouping. However, these data do not support Hypothesis Six. ANOCVA shows no significant interaction effects are found between the employment status of the mother and the age of the youngest child ($F = .733$; $df = 4$; $p < .54$).

When projecting from daily information to weekly

and yearly expenditures for meals away from home, the differences take an increased magnitude. It is evident from Table 2 that at certain stages in the family life cycle the EMAFH is noticeably higher than at other stages. In four of the five stages in the cycle the typical dual-earner family expends more than the single wage earner family on meals away from home. This difference is most marked when the youngest child is between 12 and 17 years of age. When the youngest child is 6 to 11 the difference in expenditures is quite small. When the child is one year of age the single wage earner family is higher in EMAFH. Awareness of these projections could be utilized by families in their financial planning.

DISCUSSION

This analysis has resulted in the following seven findings. First, there is a relationship between the employment status of the wife and her time consumed in meal preparation. Secondly, consumption of time by the wife in the provider role is not significantly related to expenditures on meals away from home. Third, there is a strong inverse relationship between wife's meal preparation time and expenditures on meals away from home. Fourth, there is a relationship between the age of the youngest child and expenditures for meals away from home with families with older children expending more. The fifth finding is that there is no relationship between age of the youngest child and mother's time in meal preparation. The sixth and seventh findings are that there is no interaction effect between age of the youngest child and mother's employment status for meal preparation

TABLE 2. Average Expenditures (In Dollars) for Meals Eaten Away From Home By Employment Status of the Mother and Age of the Youngest Child

Age of child	Employed ^a			Nonemployed ^b			Difference ^c		
	day	week ^d	year ^e	day	week	year	day	week	year
12-17	6.31	44.14	2295.02	3.34	23.38	1215.76	2.97	20.76	1079.26
6-11	4.22	29.51	1534.26	4.14	28.98	1506.96	.08	.53	27.30
2-5	1.70	11.87	616.98	1.35	9.45	491.40	.35	2.42	125.58
1	1.11	7.74	402.22	1.72	12.04	626.08	-.61	-4.30	-223.86
<1	2.31	16.14	839.02	1.41	9.87	513.24	.90	6.27	325.78
Total	3.36	23.52	1223.04	2.24	15.68	815.36	1.12	7.84	407.68
Grand \bar{x}	2.83	19.78	1028.30						

^aUsually employed 15 or more hours per week

^bUsually employed 14 or less hours per week

^cMinus indicates nonemployed spends more

^dProjected from one day total

^eProjected from per week total

time or expenditures for meals away from home.

A woman who holds the position of mother does effect a trade-off between time spent in the provider role and time consumed in the homemaker role, at least on the task of meal preparation. However, there is no substantial substitution of money for time in the sense of purchasing meals away from home. One of the reasons for this finding might be the observed lack of correlation between wife's employment status and total family income. Many of the families in which the mother is employed could be those which otherwise would have a less than adequate level of living, whereas many of the families where the mother is not employed have fathers who have relatively higher incomes. Thus, the overall relationship between mothers' employment and total family income tends to balance out.

A limitation of this study is that only two-child, two-parent families were included and therefore the effect of family structure on meal preparation time and expenditures on food away from home is limited. Further research can incorporate more variant family structures.

Further research also will explore which meals are being consumed away from home and which family members are eating them. The extent to which the family shares mealtime is of interest in that it may reflect a continuation or change in major family functioning.

Though there is a weak relationship between expenditures on meals away from home and number of hours consumed by the wife in the provider role, those who are employed do not spend significantly more. Expenditure on meals away from home is more related to the age of the youngest child, due perhaps to the larger amounts consumed by older children and the possibility that they eat out more often.

Though time in meal preparation is significantly decreased when the wife is employed, the dollar difference in spending on meals away from home by dual wage earner and single wage earner families was less than expected. The employed wife's homemaker role time in food preparation is not being bought, at least not to a significant extent.

Further research will clarify how this decrease in meal preparation time of employed mothers is accomplished. Perhaps it is achieved through better use of technology (microwave ovens, "convenience" foods, and the like), through her more efficient time consumption, or preparation of less complex meals. It is possible that other family members are spending more time on the task of meal preparation, thus reducing the amount of time the wife consumes on this task. Further analysis will focus on this aspect of segregated, joint, or parallel role behavior as well as time spent in other consumer related behaviors, including time consumed in leisure/recreational activities.

IMPLICATIONS FOR THE FUTURE

There is increasing speculation concerning the impact of reallocation of time as days spent in employment decrease (i.e., four-day work week) and as more wives seek employment outside the home. There needs to be an examination of the effect of this on the possible reassignment of family roles, time consumed in these roles, and consumer behavior.

Even though there is increased rhetoric about more equal sharing of family roles, the research reported here concurs with past research findings that lead to the conclusion that major shifts in homemaking responsibilities have not yet occurred. As pressures continue to encourage dual earner families, as technological advances allow more ease in both provider and homemaker role playing, and as the longer term effects of socialization for less specific gender role expectation become manifest as the youth of today become married and socialize future generations, who in time mature to become adult consumers, the pattern may shift until perhaps in the 21st century there will be a more flexible division of labor. This will impact on the total set of interrelated consumer behaviors, attitudes, and decision making.

Based on the findings reported here, it is possible that in the future there will be still less time consumed in the task of meal preparation. Wives are assuming the provider role with greater frequency. Though family incomes will benefit from two paychecks, there will be increased costs in terms of energy and time, as well as in both intra and interpersonal role strain (Hennon and Cole, 1980).

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JOB INSIGHTS FOR CONSUMER AFFAIRS GRADUATES

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Abstract

Consumer Affairs graduates are positioned at an important transition - moving from the halls of academic institutions to the professional job market. The federal government offers a variety of job opportunities that require the skills and training of consumer affairs professionals. A significant effort has been devoted to identifying the federal consumer affairs professional in terms of qualifications, career ladder, training needs, and organizational function.

I am delighted to be here and have the opportunity to address such a distinguished audience. Although "distinguished" may not be a word that students are too used to hearing - I consider you to be just that for two very important reasons.

First, you are at that point in the tunnel where you are beginning to see a faint gleam of light. You have persevered what may seem to be endless years of study and you are here today qualified by academic training to be regarded as consumer affairs professionals. That in itself is an accomplishment worthy of distinction.

Secondly, your chosen profession is undoubtedly a service to society. Through your knowledge and skills, you will greatly contribute to enriching the quality of consumer life in the United States. Your dedication to pursuing a career in consumer affairs again distinguishes you among the professions.

As you begin your search for a career commensurate with your training, however, you will no doubt experience one of the greatest hassles of all time. Finding a meaningful and relevant job will certainly be the most rigorous test of your endurance, ingenuity, and training. You have made it this far and I am confident that at some future time I can expect you to come seeking my job. Until this happens, I think it is important to concentrate on devising a strategy that will get you free and clear of the tunnel.

In talking about a career strategy for consumer affairs professionals, it is a good idea to start at the most elementary level. Although many of you are probably already past this stage, I would recommend that you take time to assess your strengths and weaknesses and determine what type of job would make the most effective use of your strengths while at the same time allowing you the opportunity to more fully develop your weaknesses. In a word, decide what you like to do as well as what you are good at doing.

While you are assessing yourself in terms of your preferences and qualifications, try to imagine where you would like to be professionally five years from now. Assessing yourself and establishing a long-range career goal will help to narrow down your possibilities to those kinds of jobs that best suit your qualifications as well as augment your professional growth.

If you decide to seek employment with the federal government, you will have to complete the standard federal application form -- SF-171 -- and take the Professional and Administrative Careers Examination a written examination for candidates interested in grades 5 through 7. The Office of Personnel Management will rank you on the basis of your test score in addition to your educational level, class ranking, experience, licensing, and certification. College graduates with limited work experience are generally rated at the "entry" grade levels -- grades 5 and 7. These grade levels translate into salaries ranging from approximately \$12,000 to \$15,000 per year.

You may decide that it is in your best interest to initially seek employment as a consumer affairs professional in business, state or local government, consulting firms, universities, or within a consumer organization. Some individuals find it more desirable to gain six or more years of experience in the private sector and then apply for a federal job at a level higher than grade 5 or 7. If this is your strategy, you would be required to complete the SF-171 application form but you would not be required to take a written test. The Office of Personnel Management would review your qualifications and rank you on either the mid-level (grades 9 through 12) or the senior level (grades 13 and above). This ranking is determined on the number of years of experience that you have (usually six or more years) together with your educational background (an accredited college degree). You could also qualify for a mid-level or senior-level ranking with a combination of six or more years of experience and education. In terms of salary, the mid-level grades 9 through 12 range from approximately \$18,500 through \$27,000; the senior-level grades 13 and above begin at approximately \$32,000 and can reach over \$50,000.

In planning your career strategy, you may find it advantageous to apply for cooperative education programs such as ACCESS, Junior Fellowships, and graduate internships. If you plan to pursue a graduate degree, look into the possibility of supplementing your academic studies with practical work experience in a federal agency. Participation in these types of programs will enable you to gear your curriculum to a particular agency's needs - such as establishing networks, analyzing issues, or developing national consumer education programs.

¹Associate Commissioner for Consumer Affairs
Food and Drug Administration

Practical experience can also be obtained through volunteer work. This type of work will help to broaden your skills as well as provide you with a "testing ground" for future possible employment. When you begin applying for jobs, I think you may be amazed at the contribution that volunteer work can make to your professional qualifications.

Once the preliminaries are over - you have taken the federal test, completed the SF-171 application form, and received a rating from federal job that requires the expertise of a consumer affairs professional. Although these steps sound logical and relatively simple, consumer affairs jobs within the federal government can best be described as mixed and often disguised occupations. At present, there is no standard series, career ladder, or functional description for the federal consumer affairs professional. Consequently, you may find yourself looking in strange places for a consumer affairs job - public affairs offices, governmental affairs offices, consumer protection offices, and complaint resolution offices. You may discover that these offices do to a limited degree carry out consumer affairs functions. By and large, however, I think that they will fall far short of your expectations as to the type of work a consumer affairs professional should be doing.

For the most part, federal consumer affairs professionals consider themselves to be the "Rodney Dangerfields" of government in that "they don't get no respect." If I had my way, there would be a separate job series developed especially for the consumer affairs professional. Such a series would first and foremost identify you as a consumer affairs professional as well as establish a distinct career ladder and designate the functions that are involved in consumer affairs work. In addition to setting out the training needs of federal consumer affairs professionals at the various grade levels, this series would enable students such as yourselves to direct their academic curriculum to coincide with federal qualification requirements for consumer affairs jobs.

Although much work has gone into making this happen, a distinct job series for consumer affairs professionals is not yet a reality. Until this can be accomplished, the best advice I can give you is to do your homework on any agency that you are seriously considering as a potential employer. Find out as much as you can about the mission and legislative responsibilities of the agency; review the agency's organization chart to determine on what level the consumer affairs component operates and to whom it reports; ask for a copy of the office's functional statement so that you have a good idea of the programs and responsibilities carried out by the office in which you are interested. This type of background research will help to ensure that the job you accept comes as close to meeting your professional needs and expectations as possible.

As you can see from the agenda for this meeting, I am listed as the Associate Commissioner for Consumer Affairs with the Food and Drug Administration. I run the agency's Office of Consumer Affairs and we handle a great diversity of programs that involve all aspects of consumer affairs work - consumer

information, education, policy formulation, training, and consumer correspondence. I report directly to the Commissioner of Food and Drugs so it is evident that the work of my office impacts on the development of agency policies. Because there is no standard job series for consumer affairs professionals, however, my staff consists of such occupations as program analysts, writer-editors, consumer affairs specialists and technicians, and consumer information technicians.

If you were to apply to my office for a job, I would like to give you an idea of the kinds of qualifications and experience that I would expect you to have as a consumer affairs professional. At the "entry" level of grades 5 through 7, I would expect you to have the skills needed to be able to effectively communicate information to consumers about the agency and public participation opportunities within FDA - such as expository, letter, and report writing; speechwriting; briefing, public participation, and group discussion techniques; and interpersonal communication skills. I would also look for training and experience in the area of networking techniques and the ability to use these techniques for public participation purposes.

For applicants seeking the mid-level grades 9 through 12, I would look for competency and experience in analysis and evaluation techniques; government functions and operations; public policy formulation; data collection and research analysis; and counseling techniques. I would expect senior-level applicants to be qualified in such areas as problem solving techniques; public policy administration; congressional operations; public program management; executive leadership; management and group leadership; and budget formulation.

I hope that I have not discouraged you from seeking employment with the federal government. Although there is much work to be done to establish federal consumer affairs employees as professionals, I think that you will find consumer affairs work within the government to be both a challenging and rewarding experience. In addition to a little greying and balding, one of the advantages of age is experience - and I hope that by sharing the "wisdom" of my experience, I have been able to make your road into the consumer affairs profession a bit smoother.

Thank you.

Mechanisms for Consumer Involvement in the
Governance of Publicly Owned Enterprises

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Members of the American Council on Consumer Interests and other guests, I was delighted to get a call from Jean Kinsey asking me to address the Council concerning my recent research on government enterprise in the United States.

I think this is an area which could greatly benefit from your attention. Let me put it even more strongly. This is an area which needs consumers' attention.

The first question you might have is what exactly is government enterprise or public enterprise? There is in fact no bright line which defines these entities. Rather there exists a vast shadowy frontier between American public and private administration. At the federal level for example, there exist many "instrumentalities," not directly administered by federal employees.² Among these are government-owned, contractor-operated industrial plants, specially-chartered quasi-public organizations like the Corporation for Public Broadcasting (PBS) or the Communications Satellite Corporation (COMSAT), and federally sponsored financing agencies like the recently created Energy Bank. Just in the period 1960-1973 the federal government created 17 new government corporations or government sponsored enterprises exhibiting varying degrees of government control.³

There are also a considerable number of government corporations and authorities at the state and local level. One estimate is that as of 1973 there were at least six thousand local and regional authorities and one thousand state and interstate authorities.

These numerous entities have a significant effect on the economy. Public authorities are in fact the largest category of borrowers in the tax exempt bond market. One estimate is that employment in publicly owned industries in the United States, excluding public administration and defense, has risen from 5 percent of the labor force in 1940 to 12 percent in 1970. In transportation and communications in particular it has increased from 11 percent of the labor force in 1940 to 21 percent in 1970.

Perhaps because the increase in the use of these entities has been gradual, not dramatic, and because government production of good and services is something of an embarrassment to many economists, there has been little scholarship in the United States on issues concerning government production of goods and services. Notwithstanding their significant role in the economy, there appears to be no coherent theory for the creation and governance of these entities.

A first step in developing such a theory is to define more precisely what governmental entities are to be our focus. I define the term "government enterprise" to cover all undertakings which are effectively controlled, directly or indirectly, either by a branch of government itself, or by a body set up by government to conduct the undertaking in the public interest. This definition focuses on effective control rather than on ownership since there are now a variety of hybrid forms of government enterprise where private ownership is combined with significant direct or indirect public control. For example indirect but effective control may be exercised through subsidy approval. Conrail is an example.

There are two principal questions concerning government enterprises. First, if a production process were to be provided by a government enterprise, what would be the ideal legal structure or model of governance for that enterprise, where these terms include all the institutional elements of the enterprise itself as well as the federal, state and local legislatures and agencies that have an effect on the enterprise. These institutional elements are defined by (1) the legislation, as amended, creating the enterprise, (2) other legislation directly affecting the enterprise or delegating powers affecting the agency to other agencies, (3) the legislative history of the legislation, (4) policies promulgated by agencies that are binding on the enterprise, and (5) judicial decisions.

There is strong reason to believe that the choice or legal structure will affect the performance of government enterprise. For example, legal structure will in large part determine the political and regulatory constraints and the organizational structure of the enterprise. Together the constraints and structure define goals and tasks, resources, information flows and motivating systems of rewards and penalties.

Given the ideal legal structure for government enterprise in a particular industry, the second principal question is when should there be a replacement or private enterprise by government enterprise, and when should there be coexistence of both types of entity. Since private enterprise, under certain conditions, can be shown to lead to a highly desirable state of social welfare, it is normally assumed in a market economy to be a superior means of production. Therefore before government enterprise is substituted for private enterprise, it must be shown that conditions for optimal private production are not being attained, and more importantly it must be shown that government enterprise will do better in terms of social welfare. The last question can only be addressed by using the ideal legal structure for government enterprise in comparison with the private alternative.

Since each industry in which government enterprise might operate presents different conditions of market failure, legal structure of a government enterprise must be tailored to address the specific market failures observed in the industry. For example, the principal market failure to be addressed by the legal structure of a non-subsidized government owned electric utility operating solely in distribution is that of ensuring lowest cost production in the face of increasing returns to scale. In contrast the principal market failures to be addressed by the legal structure of a heavily subsidized, government owned urban mass transit system involve external effects of urban transportation like congestion and pollution and the public good nature of transit. The public good nature of transit refers to the use of transit subsidies as a redistribution of income.

Pursuing this necessary first step of focusing on a single industry, I investigated government enterprise in the bus mass transit industry in the United States. This industry was chosen for two reasons. First, bus mass transit in the United States has shifted from primarily private ownership to almost total public ownership in less than 20 years. Among the 117 largest U.S. cities (1970 census), only 10 had publicly owned transit systems in 1949. By 1959, 3 more systems had become publicly owned. However, from the late 1950s through the 1970s, transit revenues failed to keep pace with costs. This created a need for large subsidies if operations were to continue, and there existed noncommittal political pressure to make the transit systems public. By 1969, 31 more systems were converted to the public sector, and by 1979, an additional 62 systems were converted. Thus, as of 1979, in only 11 of the 117 largest cities in the United States do private carriers survive as the major carrier.

The second reason bus mass transit was chosen is the enormous and continuing commitment of public funds to the subsidy of mass transit. Since 1970, transit has been one of the most rapidly growing of all federal programs. It seems likely there will be a continuing commitment to significant subsidies for this industry. Even if operating subsidies are reduced, the federal government seems committed to capital subsidies, and many states provide significant operating subsidies.

With the selection of bus mass transit as the industry for study, I developed case studies of 17 mass transit systems in 7 states. Information concerning legal structure and policy formation was collected by interviewing executive management and board members of the mass transit system.

The serious deficiencies I discovered in the governance of mass transit I think are of interest to all consumers as transit users and taxpayers. In the time I have here, let me summarize a few of the major findings and discuss a few of the proposed solutions.

Case studies of the 17 U.S. transit systems documented considerable diversity in legal structure among them, strongly suggested that there does not

exist in the United States a generally accepted model of governance for government enterprise in mass transit. It would serve little here to illustrate this lack of a widely accepted theory with the exhaustive detail. However, one point should be emphasized. The case studies indicate that not only is there lacking any generally accepted model among the 17, but also in many individual systems there is considerable ambiguity concerning the type of legal model intended by the legislature. For example, some authorities seem to be modeled on the municipal corporation, with close bureaucratic control over policymaking and operations, while others seem clearly to be modeled on the private corporation with significant management autonomy in operational matters. In other cases the nature of the legal entity created is left undefined. This provides no model whatsoever of how policy is to be determined and operations conducted.

The analysis of the 17 case studies not only demonstrates the diversity of institutional forms for transit systems, it also denotes the problems that existing legal structures create and that must be resolved in an ideal model. There are two critical problems with respect to policy function at all levels of government.

First, the case studies revealed that the policies of the systems often violate reasonable concepts of the purpose of policy. Consider initially what are reasonable concepts of the purpose of policy.

I define policy as a course or method of action selected to guide and determine present and future decisions. The policies that guide a system in large part determine the system's impact on the area it serves. Policy can be directly stated through a statement of purposes in legislation creating or affecting the enterprise. Policy can also be stated by agencies, the directives of which are binding on the government enterprise.

For increased clarity, policy can be organized into four categories. Policy is often stated at such a high degree of generality that no one knows how to make the policy operational without more discussion. For example, a system may be directed to provide adequate and reliable transit service to meet the community's needs. This type of ambiguous goal that provides no guidance to management without additional elaboration I refer to as general policy.

Policy is also expressed in very specific terms as a level or constraint with no flexibility in implementation. For example, systems have been directed to have a load factor on local service at peak hours of not more than 1.33 passengers per seat. Statements of policy that include specific steps of implementation and offer no managerial flexibility I refer to as stipulations.

It is quite questionable whether stipulations that dictate production decisions are desired when achieving social goals. By the definition of stipulation - a level or constraint with no flex-

ibility in implementation - there is an implication that the stipulation is the best and only method of attaining the social goals. It is a matter of experience, however, that a "best" method is generally not the best unless there is an explicit proof of the superiority of that method. More often, some agent with better experience of the matters at hand will come along and discover a new "best" method. It is for this reason that stipulations should be scrutinized for possible replacement by operating objectives which I will define in a moment. The latter allows for creation of new approaches to a problem by the agents with the most experience, that is, the transit managers.

Frequently, policies direct management behavior by setting absolute minimum and obvious standards of performance. For example, balanced budget constraints are often imposed, and many systems are regularly audited to ensure the integrity of general financial reporting. Because the nonfulfillment of these types of policy indicates absurdly poor performance, these policies I label constraints of the absurd.

Finally, policy can be put into an objective form that directly guides management action, but allows for management expertise to choose the optimal strategy to reach the objective. For example, the main priority of a system may be to maximize passenger miles. This is the type of unambiguous policy that leaves flexibility in operational implementation; I call this an operating objective.

The four categories of policy, then, are general policy, stipulations, constraints of the absurd, and operating objectives. From the definitions themselves, reasonable concepts of the purposes of policy are apparent. For example, policy should unambiguously reflect social goals with measurement of management's fulfillment of those goals, and the management of production details should be left to management. The case studies revealed abundant evidence that what has actually been occurring is the exact opposite of what is desired. If policies of a social nature are articulated at all they were usually vague, using ill-defined or undefined terms such as welfare, adequate, and suited to the needs. In fact in 9 systems, no formalized policy guidance was provided either by the enabling legislation or by decision makers at the transit operating agency level. In the other 8 systems, even when general policy was articulated it usually took the form of a laundry list with no indication of prioritization. Only a handful of the systems in the study had attempted to further define general policy into policy leaning towards operating objectives.

Policy that was not vague usually bypassed what I have called operating objectives, which would give management directions but with flexibility on production decisions, and dictated operational matters which can reasonably be considered only the domain of management. That is, too many stipulations are used. Operating objectives and stipulations both can be useful when directing

social policy, but in most instances in the case studies, stipulations dictate such things as routes, loading standards, headways, and the like. The Board also frequently tended to concentrate not on policy but on operational transactions such as the approval of the payment of bills and negotiated contracts. While perhaps not stipulations, these decisions are still essentially operational decisions.

When the transit system has no policy to guide management or when only general policy is articulated, the result in the case study system is that the budget allocates the resources available and implicitly sets objectives. Defining policy through the budgetary process has serious drawbacks. The actual policies being pursued are obfuscated, and outside evaluation by voters or appointing authorities is inhibited. Most critically, the budgeting process tends to be accretionary and does not take a comprehensive view of the mission of the system and the final impacts desired. The balancing and planning necessary for maximizing the change in welfare are absent. Due and Friedlander point out that existing programs are not reviewed in detail in the preparation of a budget. "The presumption is that existing activities will continue unless there is strong evidence that their existence should be reconsidered." "There should be comparison of the relative merits of various requests. The traditional presentation of material in a budget does not facilitate this task."⁷

When the boards fail to guide management, the old maxim "Having lost sight of the objectives, we redoubled our effort" comes into play. The mode of operation in systems without policy was described by one manager as "firefighting." That is, whenever an externally imposed emergency occurs, the system chases after trying to fulfill its obligation. Generally by the time one "fire" is out, another "fire" is created by another regulatory body or by public demand for service. Busywork itself becomes a goal. Some systems become so accustomed to this mode of operation that when there is no fire to put out, " (we) sometimes come to the office and have no idea of what we want to do for the day."

Finally, policies generally lack any accompanying means of evaluating progress. These traits are quite disturbing, since one would expect policies to realize exactly the opposite of the case study findings. Policies should precisely and operationally reflect social goals to direct management effort, they should have accompanying measures to ensure progress, and they should leave the operational implementation of transit to the transit managers.

The second problem with policy formation at all levels of government engaged in transit regulation in the United States is evidenced by the fact that the case studies did not reveal a single transit system with a mechanism to guarantee movement toward more efficient production, nor were there any truly effective standards of excellence against which management could be measured. This is of extreme concern. Without these conditions, observations on "efficiency" are meaningless. It is

irrelevant that management vows it is producing at lowest cost: No one is sure that another manager could not do the job better (that is, more efficiently). Without an assurance of relatively efficient production, excessive costs are difficult to detect.

I won't go into detail concerning this problem of monitoring management performance. Suffice it to say that the tools being used place minimal pressure on management to achieve lowest cost production. The most common constraints on management are financial audits, bidding requirements on contracts, and balanced budget requirements.

Let me summarize the two problems developed thus far which were observed at all levels of regulation of transit. Policy often comes in forms that violate reasonable concepts of the purpose of policy, and there is no mechanism to guarantee movement toward efficient production. Policy formation, more specifically, is inadequate because (1) policy is often too vague, (2) policy that is unambiguous is often oriented to the stipulation of production details, and (3) there is no measurement of management's performance of policy goals.

To a significant degree, both of these major problems may be attributable to the fact that the theoretical distinction often made in legislation between the board's policy making function and management's operational responsibilities is conceptually difficult and is undefined in the legislation. This conceptual problem is complicated by the limited knowledge of board members concerning both transit and in some cases general business management and local conditions. The situation is further confused by the reliance of the board on management to develop policy and supply information to the board.

It appears that because of these factors, the boards in many of the case studies are only titularly carrying out their policymaking and monitoring functions. That is, even though the policy statement may appear to be written by the board, it is actually transit management who designs the policies, and the policies are rubber-stamped by the board with minor or no alterations. If policy is formulated implicitly through the budget process, the problem of management cooption of policymaking function is even more apparent. In many of the systems, budgeting is a highly internalized management process with few changes made by the board after the budget is presented for approval. In some cases, the board has never adjusted a budget proposed by management. Even the data provided for purposes of monitoring the budget and evaluation of management performance are basically a product of management initiative in the case study systems.

Management plays the principal role in articulating policy, in formulating the budget, and in providing the data base for its own evaluation. This arrangement quite seriously reduces the meaningfulness of both policies and evaluation. In fact,

it is fair to conclude that in many systems, management has coopted the process of planning, determining policy and monitoring implementation by virtue of its control over planning, personnel, and information.

From these considerations it seems obvious that not only is there no widely accepted theory of legal structure for bus transit but that there is also no clear theory of policy formulation or evaluation of management performance. It seems that historical coincidence, political feasibility, and the human tendency to take the easiest course have determined each system's structure.

In an attempt to address these problems and others apparent in the case studies, I proposed a model of governance for publicly owned mass transit enterprises. I will mention here only two features of this model.

Let me add a few words of caution. The only reasonable basis for preferring a particular legal structure over another is that it provides greater improvement in the welfare of affected parties. We do not have detailed knowledge of preferences and cost functions. Therefore many of the features of the model, particularly those relating to policy formation, are reasoned value judgments. Where possible, I borrowed elements of legal structure in the case studies which were observed to be well conceived.

The board of the transit corporation has bottom-line responsibility for identifying the preference of the community, formulating responsive policies, translating policy into operating objectives and criteria and ensuring that management minimizes costs. The competence of the board is a critical factor defining its ability to perform these tasks. I suggest a number of measures to increase the competence and motivation of the board. These measures include (a) minimum qualifications, (b) adequate compensation, (c) obligatory attendance at board and committee meetings, (d) training in transit operations.

It would be preferable to create a mechanism to ensure that the factor of competence is incorporated into the choice of board members. A structural mechanism might help prevent the appointment of an unqualified and unbalanced board. An advisory group should be legislatively created to help appointing authorities screen candidates' qualifications. Such committees, appointed by the legislative branch, can assist in providing public scrutiny of the competence of appointees. If the appointing officials must choose from panels of candidates approved by the committee, the advisory committees also can seek over the long run to achieve some balance in representation. Several systems in the study already have citizens' advisory committees that could be used for this purpose.

The objective is that the board be knowledgeable, not expert. In addition, the board itself is incapable of screening and interpreting vast quantities of raw data about the system. The board's capacities must be supplemented by a plann-

ing staff with the time and requisite technical knowledge both to assist in carrying out the planning process that ultimately yields the operating objectives and to measure whether the objectives have been achieved.

The independence and freedom from bias in policy-making and monitoring which the model requires of the board are called into serious question when the board relies on the management planning staff. The board must have its own staff to provide planning input into the determination of objectives, the design of performance criteria that direct management toward accomplishment of the objectives, and the evaluation of whether the criteria have been met. The staff should do both spot-check monitoring and comprehensive review. In smaller systems, planning assistance for the board can be provided by outside consultants.

The establishment of screening committees for board candidates and the creation of board planning staff are two reforms which consumers could bring about to improve governance of mass transit. The book outlines a number of other reforms which I will not explore here.

My conclusion is that the governance of public enterprises, like transit, is an area that could benefit from more attention. My hope is that some of you might become involved in this inquiry and bring about reform.

FOOTNOTES

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2. Elmer B. Staats, "New Problems of Accountability for Federal Programs" in Bruce L. R. Smith, ed., The New Political Economy: The Public Use of Private Sector (New York: John Wiley, 1975) pp. 47-67.
3. Harold Seidman, "Government - Sponsored Enterprise in the United States," in id. at pp. 85-108.
4. Annmarie Hauch Walsh, The Public - Business: The Politics and Practices of Government Corporations (Cambridge, Mass.: MIT Press, 1973), p. 4.
5. Frederick L. Pryor, "Public Ownership: Some Quantitative Dimensions," in William G. Sheperd, ed., Public Enterprise: Economic Analysis of Theory and Practice (Lexington, Mass.: Lexington Books, D.C. Heath and Co. 1976), p. 21.
6. B. Peter Pashingian, "Consequences and Cases of Public Ownership of Urban Transit Facilities," 84 Journal of Political Economics (December 1976), pp. 1239-1245.
7. John Due and Ann Friedlaender, Government Finance: Economics of the Public Sector (Homewood, Ill.: Irwin), pp. 33, 38.
8. For a full discussion of the model, See Hamilton and Hamilton, Supra note 1, at Chapter 5.

AN ANALYSIS OF THE UTILIZATION
OF FINANCIAL COUNSELING SERVICES

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A research model was developed to explain the probability of seeking financial counseling services. The model was estimated using a probit technique and a sample of 392 undergraduate students enrolled at two colleges in Central New York. Nonwhite students and those who received financial aid were more likely to seek the financial counseling services. Seniors, students who had higher grade point averages and students who were dependent on their parents for financial support were less likely to utilize financial counseling services.

As a result of the economic conditions of the last decade, today most consumers are faced with more difficult choices [1]. Fewer resources, higher costs and greater uncertainty of our economic future have all contributed to the perplexing financial milieu in which consumers must function. Financial counseling services which assist individuals in making their financial decisions are needed as well as the study of the utilization of these services once provided.

For the purpose of this paper, financial counseling services are defined to be any professional activities which involve a response to a consumer's search for information or assistance directly related to his or her financial matters. A variety of social service agencies both public and private, financial institutions, cooperative extension, etc. provide financial counseling services.

Another type of institution which offers financial counseling services are institutions of higher education via their Financial Aid Offices. Students and their families are also faced with a particular price squeeze in terms of the cost of higher education. The Higher Education Price Index (developed by D. Kent Halstead for HEW) reigns at 20.13 for the fiscal year of 1978 compared to the 1967 base year of 100 [2, 3]. This upward trend is expected to continue for the next several years. The high costs of education present financial management difficulties for students which, in turn, may further reduce this shrinking population.

The purpose of this paper is to examine the social and economic factors which influence an individual's use and nonuse of financial counseling services. Specifically, an undergraduate's utilization of the available financial counseling services provided through the Financial Aid Office at institutions of higher education will be empirically analyzed.

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An analysis of the use of student financial counseling services will provide information concerning the effect of economic and social factors on the consumer behavior of students and their families in regard to these services. From an institutional standpoint, declining enrollments and the prediction of further shrinking of the student population provide incentives for an administrative examination of how best to serve students. Policy decisions concerning the nature of student financial counseling services could be one way of improving services for students. Changes made in regard to the type, amount, and location of these services could enhance both student numbers and longevity.

Questions can be asked concerning the type, amount, and location of these services. The type of services provided could vary from one-on-one, small group, to large group counseling. The type of services demanded by students might also dictate special programs aimed at particular groups. The number of financial counselors and size of case-loads could be examined in order to determine the optimal allocation of institutional resources. The nature of the demand for these services would provide justification for the volume of financial counseling needed. Finally, the nature of the demand for these services may help to decide their location. If off-campus students make the most use of the services, perhaps the traditional on-campus location should be reconsidered.

Previous Research

Empirical research specifically related to the use and nonuse of student financial counseling services has not been conducted; however, the use of financial counseling services available to the general public have been studied by characterizing the clients (users) who successfully complete counseling programs and also the clients who default (a type of nonusers). Most studies examining the use of financial counseling services by the general public have used samples drawn from the confidential records of Consumer Credit Counseling Services. Such agencies (usually sponsored by the National Foundation for Consumer Credit and business concerns) are non-profit and provide a type of remedial financial counseling or debt management for families or individuals who have overextended their use of consumer credit.

Taylor conducted an evaluation study of a Consumer Credit Counseling Service in Cascade County, Montana during the year of 1972. Part of her sample included 66 clients receiving financial counseling. Taylor found the typical client to be a couple married 6.3 years with two children, earning \$5,000 to \$9,999 with a mean of \$6,924 annually. Both husband and wife held high school

diplomas and were 32 and 29.8 years old, respectively. In this typical case, the wife was not employed outside the home [5].

Verver studied 581 clients of the Consumer Credit Counseling Service of Denver who participated in the counseling program between January 1, 1972 and February 28, 1973. A comparison of social and economic characteristics of both successful (defined to be--"the ability to handle own affairs") clients and unsuccessful clients was made. When all clients were examined, the typical counselee was 30 years old, married with two children, preschool or school age. Most clients held semi-skilled or service-type jobs and had a median income of \$6,720. The median debt was \$3,232 held by a median of 11 creditors. The median ratio of total debt to annual disposable income was 70 percent. Successful clients tended to have a higher annual disposable income and lower outstanding total debt than unsuccessful clients. Also, successful clients had lower median ratios of monthly debt repayment to monthly income [8].

In 1976, 196 cases were randomly selected from the inactive files of the Consumer Credit Counseling Service of Central Indiana. Varga performed a series of chi square tests in order to examine the independence of the client's socioeconomic and demographic characteristics and his successful completion or default from this counseling program. Her analysis revealed that the likelihood of completion increased for:

1. older heads of households,
2. clients who owned their homes,
3. clients with telephones in their homes,
4. clients who owned insurance, other than automobile,
5. lower age of head of household years worked at current job ratios, and
6. clients who spend less for total monthly living expenses [7].

Clients involved in a private (for-profit) credit counseling program located in Lafayette, Indiana were studied by Trujillo. Her random sample included 130 cases closed between January 1, 1969 and March 15, 1976. Similar to Varga's classifications, clients who successfully completed the counseling program were compared by means of a chi square test to those who defaulted on the same program. Successful clients were more likely to be females; employed at their present job more than five years or less than one year; owed money to three to nine creditors; owed \$4,999 or less; and had a debt-to-income ratio of 0.49 or less [6].

Finally, Langrehr compared clients (users) of commercial and not-for-profit credit counseling services operating in the same metropolitan area. Her random sample included 196 commercial and 205 not-for-profit clients and the primary statistical techniques used were chi square tests, t-test analysis, and discriminant analysis. Commercial clients' families were: smaller; more frequently headed by a younger and/or single person; more likely to have heads employed in blue

collar jobs; and living in rented housing. Clients using commercial (for-profit) agencies also owed fewer creditors and had less total debt than not-for-profit clients [4].

In summary, previous research has shown an association between clients' success rates and social variables including sex, age, marital status, number of dependents and education. Economic variables associated with successful completion (or extended use of financial counseling services) included: length and type of employed; income levels; debt levels; expenditure levels; and ownership of certain assets.

The Model, Hypothesis, and Data

The demand or utilization of student financial counseling services was represented by a dichotomous dependent variable which assumed a value of one if a student visited the Financial Aid Office at least once during the fall semester of 1979. The dependent variable was assigned a value of zero if a student did not visit the office. The probability of visiting or seeking the financial counseling services was explained by examining the effects of general demographic, student demographic and economic or financial characteristics of the group of individuals or students studied.

General Demographic Characteristics

General demographic characteristics included in the model were sex, race, marital status, and living arrangements.

Previous research has found that both sex and marital status influenced the utilization of general financial counseling [5, 6]. Females were expected to be more likely to visit the Financial Aid Office than males. The financial demands of marriage, particularly while in college, was expected to positively influence married students to seek financial counseling services provided by the school.

The ethnic background was considered important in explaining the behavior of student in seeking financial counseling services. Nonwhite students might face more serious financial difficulties in attaining a college education. Thus, a positive effect was expected.

Since student financial counseling services are offered with no charge to the student, the indirect prices of these services will be reflected mainly in the costs of time for the student. Time costs are related to the scarcity of time for each student. Time costs are related to the scarcity of time for each student involved. Time costs was represented, in part, by the type of living arrangements of the student. It was expected that students who live off-campus (i.e., in apartments or at home with parents) would have higher time costs attached to obtaining these services than other students. However, the effects of the increased financial demands of maintaining an apartment may offset the time costs of utilizing student financial counseling services.

Student Demographic Characteristics

Since this research examined the use of student financial counseling services, the model also included a specific set of demographic characteristics particular to students. These variables were the year in school, the program of study or major taken by the student, the number of credit hours in which the student was enrolled, and the student's grade point average.

Students who were seniors or majoring in the natural sciences were expected to be less likely to utilize the services of the Financial Aid Office. These students would probably be more experienced at handling financial matters and, therefore, less likely to need financial counseling services. The time costs, as discussed earlier, were also represented in the model by the number of credit hours in which the student was enrolled. It was expected that students who maintain larger course-work loads would experience higher time costs attached to obtaining financial counseling services.

The student's grade point average was included as an indicator of the ability of a student to handle his or her own financial matters. Thus, students with higher grade point averages were expected to be less likely to visit the Financial Aid Office.

Financial Characteristics

Finally, the student's financial soundness and security would be logically tied to his or her need for financial counseling services [7]. Financial characteristics examined included total income and whether or not the student received financial aid, was dependent on parents for 50 percent or more of his or her financial support, and perceived his or her income as inadequate to meet needs. In addition, the total number of hours worked, along with binary variable reflecting nonemployed status, was included in the model.

All sources of money were added together to derive the total income variable. These income sources included: all grants, scholarships, loans, work-study income, income from non-work study employment, income from parents and other unearned income. It was expected that the higher the level of total income, the lower the probability that a student would visit the Financial Aid Office.

Dependency of a student on his or her parents was expected to lower the need for financial counseling services. In contrast, students actually receiving financial aid and students who perceive their incomes to be inadequate to meet their needs were logically expected to seek out the information and counseling offered by the Financial Aid Office.

Finally, the total hours of employment per week (at all jobs) was included in the model to represent financial security and to complete the group of variables which measured the time costs of

using financial counseling services. A negative effect was expected. A binary variable which represented one if not employed and zero if employed was added to the model to compensate for the large number of nonemployed students.

The Data

Data used in this research project was collected during December 1979 via a mailed questionnaire sent to randomly selected undergraduates enrolled in two institutions of higher education in the central New York state area. Names of students were randomly selected from the registration list of all full- and part-time students actually enrolled during fall semester of 1979. Information was collected concerning the student's use of the Financial Aid Office during most of the fall semester. Most other information collected pertained to the fall semester; however, total income and hours of employment were related to the calendar year.

The actual sample analyzed in this research study included 392 individuals, representing a rate of return of 20 percent. Respondents were paid a small remuneration for completing the questionnaire.

Empirical Results, Discussion, and Implications

Of the 392 sample respondents, 164 students or 42.0 percent visited the Financial Aid Office during the fall semester 1979. The mean number of actual visits was 2.27. The research model or equation was estimated using a probit procedure which accommodates a dichotomous dependent variable. The chi square statistic was 93.2223 which is significant at the .01 level. All significant variables had the directional (positive and negative) effects which had been hypothesized. Three insignificant coefficients had signs which were not expected. Married students were less likely to visit the Financial Aid Office; while, students who lived with their parents and were enrolled in a larger number of credit hours were more likely to visit. It may be that married students have working spouses which contribute to their financial stability and their need for financial counseling services was reduced. Students living with their parents may be doing so out of necessity and to lower their college costs. They may be more likely to seek financial counseling in order to establish additional funds to support themselves independent of their parents. Finally, students enrolled in a larger number of credit hours may simply be more active in their search for assistance.

Nonwhites were more likely to utilize the available financial counseling services than whites. The significant positive effect supported the hypothesis that nonwhite students faced more financial difficulties in completing their education. These financial impediments could be tied to lower parental incomes or institutional barriers which prevent nonwhite students from taking advantage of other financial support services.

From a policy standpoint, school administrators should recognize the need to tailor student services specifically toward minority students. Because of the more precarious financial situation of minorities, they seem to have a greater demand for financial counseling services. This relationship may also be true in regard to the general public's demand for financial counseling services.

Two student demographic variables were significant. Both seniors and students with higher grade point averages were less likely to visit the Financial Aid Office. As hypothesized, these students seem to be able to handle their financial matters without financial counseling assistance.

Policy decisions concerning the nature of student financial counseling services should incorporate these findings. As a result, the services provided by the Financial Aid Office would be more effectively geared toward beginning students and students with lower grade averages. Students who are earning lower grades may be in a particular financial dilemma. In general, these students may possess less ability to handle their financial matters. Simultaneously, these students probably have less time or inclination to seek financial counseling. School administrators could directly impact on this need by targeting financial services to this specific group of students. Such assistance would surely enhance the longevity of these students in the present era of declining enrollments.

A student who was actually receiving financial aid was significantly more likely to visit the Financial Aid Office. This finding would seem to indicate that the Financial Aid Office offers mostly information and complaint handling. This phenomenon may be due to understaffing or the lack of administrative effectiveness in disseminating the financial aid funds available to students.

Again, the longevity of all students might be enhanced if more financial counseling services were made available. Possibly, the desirable ratio of financial aid counselors to students should be investigated by school administrators. A predetermined level of this ratio would increase the likelihood that some students would be able to continue or complete their education.

Finally, students who were dependent on their parents for at least 50 percent of their financial support were less likely to seek assistance. Financial support from one's parent would increase the financial stability of the student and, therefore, lessen the need for financial counseling service. This relationship may also be true in regard to the demand for financial counseling by the general public.

Conclusions

In summary, nonwhite students and those who received financial aid were more likely to seek the

financial counseling services offered by the Financial Aid Office. Seniors, students who had higher grade point averages and students who were dependent on their parents for financial support were less likely to visit the Financial Aid Office.

The findings of this research paper should provide some unique and vital marketing information to college administrators. Target audiences have been identified as well as the need to increase the ratio of financial aid counselors to students. Finally, this research provides some implications of the factors which influence the demand for financial counseling by the general public.

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Table 1. Descriptive Statistics of the Research Variables.

Variables	Continuous Range Variables		Binary Variables	
	Mean	Standard Deviation	Number	Percent of Sample
GENERAL DEMOGRAPHICS				
Females	---	---	214	55.0%
Nonwhites	---	---	16	4.0
Married	---	---	13	3.0
Living in apartment	---	---	129	33.0
Living with parents	---	---	30	8.0
STUDENT DEMOGRAPHICS				
Seniors	---	---	97	25.0
Majors in natural sciences	---	---	188	48.0
Number of credit hours enrolled	15.48	2.37	---	---
Grade point average	3.11	.45	---	---
FINANCIAL CHARACTERISTICS				
Total income	3874	2860	---	---
Receiving financial aid	---	---	237	60.0
Dependency on parents	---	---	267	68.0
Perceived income as inadequate for needs	---	---	127	32.0
Total hours of employment per week (not including work study)	3.96	9.19	---	---
Nonemployment status (not reflecting work study)	---	---	301	77.0
DEPENDENT VARIABLES				
Visited Financial Aid Office	---	---	164	42.0
Total number in sample = 392				

Table 2. Probit Estimates of the Research Variables.

Variables	Coefficient	Standard Error	t-statistic
GENERAL DEMOGRAPHICS			
Females	.169	.143	1.183
Nonwhites	.495	.365	1.357*
Married	-.377	.526	-.717
Living in apartment	.195	.174	1.122
Living with parents	.232	.295	.789
STUDENT DEMOGRAPHICS			
Seniors	-.349	.180	-1.939**
Majors in natural sciences	-.135	.141	-.958
Number of credit hours enrolled	.001	.035	.005
Grade point average	-.286	.166	-1.729**
FINANCIAL CHARACTERISTICS			
Total income (000's of \$)	-.003	.003	-.942
Receiving financial aid	1.020	.158	6.476***
Dependency on parents	-.562	.167	-3.355***
Perceived income as inadequate for needs	.166	.152	1.095
Total hours of employment per week (not including work study)	-.014	.016	-.875
Nonemployed status (not reflecting work study)	-.133	.288	-.460
CONSTANT	.585	.845	.692
Log likelihood =	-219.8546		
χ^2 =	93.223		

*Significant at .10 level.
 **Significant at .05 level.
 ***Significant at .01 level.

DISCUSSANT REMARKS

Robert O. Herrmann, Pennsylvania State University

The three papers presented seem to agree that knowledge of buymanship and personal decision-making is an essential prerequisite for learning about public decision-making. The main disagreement seems to be about when teaching about public decision-making should begin and how much emphasis it should receive.

Both Edwards and Dickinson seem to suggest that learning about public decision-making can and should begin early and develop along with knowledge about personal decision-making. There are, I feel, several arguments for this:

- (1) Students should be made aware of gaps in consumer protection coverage. Discussion of these gaps leads logically and naturally into what should be done about them.
- (2) Most young people have a sense of social justice and concern about it. Discussion of consumer protection problems and solutions will not only interest them, it will encourage desirable moral development.
- (3) Discussion of consumer protection needs and policy provides a way to relate consumer education to students' social science knowledge, reinforcing both.

There is still another reason for including the discussion of consumer concerns, issues and policy in consumer education which I would like to suggest more tentatively. In our work, Rex Warland and I have observed that awareness of consumer concerns and issues is related to higher levels of personal complaining. This relationship holds even after income, age and education are controlled. If we wish to encourage consumers to seek redress for their personal consumer problems, our findings suggest that it may be useful to encourage awareness of consumer concerns and policy issues.

It is clear, that what is taught about public decision-making must depend upon the student's level of development on what Dickinson has labeled learning factors (consumer life cycle stage and the level of consumer socialization, cognitive development and moral development). It seems to me that one of the main effects of development on the learning factors is to influence the arenas in which a consumer can and will operate. As development occurs on the learning factors, the student will move to more distant and abstract arenas of action.

We can, for example, imagine young elementary school students asking a local retailer to stock their favorite brand of candy (market place arena). Older students may move on to complaining to the retailer about a short count in a box of candy (recourse arena). At later stages, as knowledge and experience develop students may know to write the FDA if they find an insect in their candy (consumer protection

arena) and later to write their member of Congress urging stricter inspection of imported candy (public policy arena).

The big question about personal decision-making versus public policy decision-making is not, I feel, whether public policy decision-making should be included as part of consumer education. It is, instead, how much emphasis it should receive. Most of us, I think, reject the notion that activism at the policy level is the highest objective of consumer education. Instead, we would prefer to think of advocacy as one competency among several and hope to move students into activity in broader and more abstract arenas as they develop experience and knowledge.

CONSUMER ECONOMICS OF PROPERTY TAX POLICY
FOR SENIOR CITIZENS: NEED ASSESSMENT PHASE¹

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Abstract

This paper reports on the needs assessment phase of a consumer education research project for senior citizens. A non-directive group interview method was used to determine the consumer education needs of senior citizens in the area of property tax policy. The needs assessment method is discussed and the results are presented.

Introduction

Nothing touches the lives of senior citizens and other disadvantaged more than the struggle to stretch limited financial resources to meet increasing costs of living. Taxation is of increasing concern to consumers since each levy reduces the amount of disposable income that could be available for other needs and wants. All levels of government and school districts are spending more money than ever before. Taxpayers are disturbed that taxes are too high and are beginning to make their views known. In California it was done very dramatically by the passage of Proposition 13 and other states are showing interest in related property tax relief measures. Tax relief is a very high priority for senior citizens. A recent study of the elderly as perceived by older persons themselves found that tax relief ranked second only to income on a list of eight-⁴een needs.

Rutgers University and the New Jersey Federation of Senior Citizens have been awarded a grant by the United States Office of Education, Office of Consumer Education, entitled "Consumer Economics of Property Tax Policy and Senior Citizens." The main thrust of the project is to develop and test consumer education materials that prepare senior citizens for participation in the state and local government decision making process with respect to the development and implementation of real

¹The research was funded under a grant, #G007902228, from the United States Office of Consumers' Education, Department of Health, Education and Welfare. However, the content does not necessarily reflect the position or policy of that agency and no official endorsement of these materials should be inferred.

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⁴W. R. Avant and P. L. Dressel. "Perceiving Needs by Staff and Elderly Clients: The Impact of Training and Client Contact." *Gerontologist*, Vol. 20, No. 1 (February, 1980.)

property tax policy.

The first phase of this project was a needs assessment. This was designed to determine the content areas of property tax policy of concern to Senior Citizens. It was also developed to identify Senior Citizen values, attitudes, and perceptions that relate to property taxes.

Needs Assessment Methodology

Adult education literature suggests that needs determination best emerges from a process of dialogue between learners and educators. The way to do this is to initiate problem-posing education based on themes already implicit in their life experiences. Specifically, the process moves from the situation specific to the broader concerns and needs of learners and results in the identification of two forms of needs determination. The first form includes the topics or problem areas of greatest concern to the potential student population, and the second includes the attitudes, values and perceptions of those individuals.

The non-directive group interview approach is an innovative needs assessment methodology which employs dialogue as its primary technique for determining the knowledge, feelings, and beliefs which adults bring to the problem situations they encounter. This approach utilizes visual stimuli as the basis for group discussion within a representative sample of potential program participants. Most effective as an associative tool are photographs which symbolize or portray real life experiences.

In using the photographic materials within a non-directive group interview setting, the educator has two responsibilities: first, to elicit responses from all participants so as to achieve the broadest possible range of opinions and experiences; and second, to move the discussion from specific and immediate reactions to the pictures toward a discussion of the larger issues and concerns symbolized by the pictures. In this way, participants are encouraged to express their attitudes and perceptions, and to demonstrate areas of both knowledge and uncertainty.

A minimum of six but preferably 10 to 12 sessions are needed to provide a sufficient data base for analysis. Depending on the skill of the educator, the pictures and the group itself, a session can last from 50 minutes to an hour and a half. Interview sessions are tape recorded and transcribed.

A content analysis of the transcriptions is performed to identify specific topics and themes of the groups. The number of times a particular sub-

ject, problem or situation is mentioned in discussion indicates its importance as a topic area. This usually provides important information concerning the knowledge and common practices of participants. The identification of themes is more complex. Themes emerge from what group members say both explicitly and implicitly about their experiences. Often there are direct statements about attitudes and feelings which provide the basis for identifying themes. However, sensitivity to those values and beliefs which lie submerged within comments is required also.

This innovative approach has proven successful in identifying the needs and perceptions of adult populations who have been educationally underserved.^{5,6} As a needs assessment method, the non-directive group interview has important implications for program planning designed to serve the needs of older adults. With its emphasis on the affective as well as cognitive levels, it enables planners to center educational experiences on the real concerns, values and attitudes of the potential population. Rather than deal with the assumed needs of learners in a predetermined learning situation, this method is a process for the clarification and specification of learning needs based on the themes that emerge from the learners' own reality and experiences. Educational programming which reflects this orientation has the potential to foster self-awareness and promote commitment to action.

Application

In developing the needs assessment phase of the project, an educational gerontologist worked in conjunction with the New Jersey Federation of Senior Citizens. The educational gerontologist was responsible for adapting the needs assessment method, preparing the visual materials, leading the sessions, and analyzing the results. The Federation was responsible for selecting the interviewing sites, recruiting participants, and scheduling the sessions.

In modifying the non-directive group interview methodology to meet the goal of the project to develop and test a consumer education program in property tax policy for seniors in New Jersey, there were two important considerations: first, that the adaptation to the model suit the planning of a specific, single-purpose program, and second, that it reflect the unique social, educational and cultural characteristics of older adults.

⁵Dr. Gladys Irish. *Non-Directive Group Interviews: An Analysis of a New Approach to Needs Assessment for Adult Basic Education*. Center for Adult Education, Teachers College, Columbia University, undated.

⁶AIM: An Exemplary Program from International Experience, funded under Section (309)b of Title III by the Division of Adult Education USEO, during fiscal years 1973-74.

To reflect the specific purpose of the project, a set of 11 visual materials, portraying scenes that would be generally recognizable to a variety of communities, was prepared. Photographs were chosen according to their ability to symbolize a specific tax program, policy or situation, and to evoke a personal response. The set of visual materials included pictures of the following: New Jersey and Federal Income Tax Forms; a private house, an apartment house, and a senior citizen housing center; a tax collector's office, a New Jersey property tax appeal form; a sanitation truck; a local business complex; a public school building; a picture of Howard Jarvis; and an Atlantic City roulette wheel and playing table.

The unique characteristics of older adults were reflected in specific modifications to the approach. To ensure that seniors would be able to view the pictures, the visuals were prepared as slides for large size viewing. Sessions ran between 45 minutes and one hour. The educator provided some degree of direction to the interviews to ensure that those group members, who had little experience in an educational activity of this nature, would feel comfortable enough to participate. At times, that meant restating questions in a number of different ways, answering direct questions, and turning to a new topic when disagreements arose.

During the summer and fall of 1979, 10 group interview sessions were held in the following New Jersey cities: Denville, Atlantic City (two sessions--Central and West Atlantic City), Milltown, Highland Park, Spotswood, Trenton (two sessions--East and Central Trenton), Hamilton Township, and Jersey City. The sessions were planned to reflect a wide range of diversity among senior citizens. Because of the qualitative nature of the needs assessment methodology, no specific statistics on participant characteristics were gathered. However it was apparent that group members varied with respect to the following categories: sex, income, ethnic/racial background, occupation, type of residence--private house, apartment house or senior citizen housing, and type of community--urban, suburban and rural.

There was a general format to the interview sessions. First, the educator opened with remarks on the purpose of the meeting, a description of the project, and a review of what was to happen. The first visual shown was the income tax slide. This was to start the group on talking about general ideas toward tax policies for seniors. Often this produced a heated and lengthy discussion on the problems seniors encountered in trying to make ends meet on a limited income. Once this theme was established, thereafter the number and order of slides used varied with each group, so as to ensure that each session reflect the unique needs of its members. Some groups used as few as four slides, whereas others reacted to the whole set. About half the groups were able to speak on topics and themes associated with property tax issues without very much stimulation from the visuals, while the other groups comprised mostly of renters relied on the slides for a good deal of the discussion.

After the sessions were completed, the interview transcripts and field notes were analyzed for the identification of topics and themes. Two measures were used. First, the emergence of a given concern or situation in a variety of groups served as a measure of the generalizability of the topics and themes to the total population. Second, an extensive discussion of a single topic or theme demonstrated its importance to specific groups. In total eight topics and eight themes were identified. The topics included: problems of senior citizens in this society; senior citizen housing lifestyles; property tax payment - determination and calculation; property tax appeal process; relationship of property tax to local services; industry and property tax payment; public school education and property taxes; and property tax alternatives - casino gambling and Proposition 13. The themes were: powerlessness; anger at injustice to senior citizens; a time of struggle; past and present/life goes on; anger at government and politicians; need for knowledge; conflict regarding personal action; belief in senior citizen action. These topics and themes will be addressed in fuller detail within the next section of this report.

Findings

Not surprisingly, the majority of those who participated in the interview sessions expressed concern with rising property taxes and reported some difficulty in meeting their tax burden. In their most general forms, these concerns emerged during complaints about inflation and the rising cost of living. As such, the older adults surveyed viewed themselves within a broad societal context - increasing costs for food, transportation, health care and housing, as well as property taxes, were seen as forces putting a strain on the budgets of most citizens.

Yet in a very real sense, many participants felt particularly threatened. The key reason was the frequent reliance on fixed incomes, such as pensions and social security, or other fixed assets which were now declining in value relative to the cost of living. Even more important, however, was the frequently expressed belief that the present property tax system was especially unfair to older adults. Specifically, it was argued that such citizens were overpayers of taxes and underconsumers of services. Two aspects of this theme were most often cited. First, as residents of older, established sections, they had to pay for the development of a service infrastructure for their communities. Now they were also being asked to support the extensions of such services to newer (and often more affluent) sections of their towns. Second, some groups expressed the view that older adults should not be taxed to support school costs since they had no school-age children.

As a result of such grievances and their difficulty in paying property taxes, most of the session participants expressed great interest in a variety of tax relief measures. Some favored

immediate and direct relief, such as the total exemption of older adults from property taxes or a substantial shift of the tax burden onto other segments of the population.

Much more frequently, however, interest was directed toward alternatives to property taxes. Casino gambling was the most often mentioned subject and the program about which the participants were best informed. There was generally favorable response to the prescription plan for older adults and the Lifeline plan to reduce seniors' utility bills. Yet, as appreciated though these benefits might be, the consensus view was that casino gambling had failed to live up to expectations. Despite promises of substantial relief, property tax reductions for New Jersey's older adults had been negligible.

California's Proposition Thirteen was another alternative often mentioned. Given the nature of media coverage accorded this topic, it was not surprising that most participants were familiar with its general provisions and goals but lacked specific knowledge of its mechanics or benefits. Moreover, perhaps because of their own disenchantment with casino gambling, many were skeptical about Proposition Thirteen; they expressed the view that they would want to know more about its implementation and effects before they would support such a proposal for New Jersey.

Few participants had direct or detailed knowledge of other property tax relief measures such as circuit breakers, New Jersey State's program of reductions for older adults or California's plan whereby senior citizens can defer tax payments with the debt ultimately representing a lien against their estates.

The varying levels of participants' knowledge regarding tax relief measures was, in fact, indicative of a more general trend regarding their familiarity with tax issues. Most had a surface knowledge of the property tax system and its impact, yet few gave evidence of the detailed, sophisticated understanding of the system necessary to effect its change. For example, virtually every homeowner recognized that he/she contributed to local government revenue by a property tax based upon assessed value and an annual tax rate. Similarly most renters appreciated that they too were taxpayers since a portion of their rent went to pay the landlords' tax bill. But very few of the participants had an understanding of such factors as the local assessment ratio, differentials between residential and industrial property, the frequency of assessments, the mechanics of the appeals process, and their rights of access to local property tax records.

Likewise, many participants failed to understand the complexities of federal, state and local funding formulas, in which reduction of local property taxes might threaten outside sources of revenue and force the curtailment of services. This was especially true with regard to support of school systems; many older adults expressed the view (either implicitly or explicitly) that property taxes were the sole or predominant source of funding.