

## AUTO WARRANTY SERVICE DISSATISFACTION II

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### Abstract

While data has shown that consumers are more dissatisfied with auto repair service than any other product/service, no study has ever considered the dissatisfaction of new car buyers with their warranties. This paper focuses on the "dissatisfiers," themselves, given their demographics, expectations, level of prior satisfaction, class of auto purchased, and type of warranty problems.

### Background

The specific study of consumer satisfaction and/or dissatisfaction for new car warranty service is well justified on a number of grounds. From theoretical appropriateness and methodological, there has been much discussion concerning the appropriateness of non-sales measurement indices of consumer satisfaction and/or dissatisfaction. Controversy aside, it has been acknowledged that non-sales measures are most appropriate when (Czepiel and Rosenberg, 1977):

- The market mechanism is an inappropriate measure of the marketplace.
- The product/service is complex.
- The control over the delivery system is loose.
- The product/service is important (financially or psychologically) to the consumer.
- Government regulation and/or scrutiny is present or likely.
- Consumers are relatively sophisticated.

New car warranty service appears to fit all of the above criteria. In short, auto manufacturers persist in using sales and profits almost exclusively as measures of market success; the market offering in question is a complex product/service package; corporate managers have only limited control (some would say no control at all) over dealer service departments who are responsible for providing warranty service; in nearly all cases the product is of great financial and usually psychological importance to the consumer; government regulation is present in the form of the 1975 Magnuson-Moss Warranty Law (Feldman, 1976), and the recently introduced Eckhardt Bill intends to strengthen that regulation (Kahn, 1979); and new car buyers are better educated and have higher incomes than the average.<sup>2</sup>

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<sup>2</sup> Median family income in 1977 was \$16,009 (from Current Population Reports, U.S. Department of Commerce, July 1978); median household income for buyers of domestic new cars in 1977 was \$21,610 (from "Buyers of Domestic New Cars, 1977," a research report from Newsweek, obtained through Motor Vehicle Manufacturer's Association).

Further, the study of new car warranty service satisfaction is justified from a number of related data based studies.

- The 1975 Best and Andreason study (1977) found that auto repair service had the highest dissatisfaction rate of any product or service studied and that consumers were much more likely to take action on that dissatisfaction than those for any other product or service.
- The 1976 Day and Bodur study (1977) found that respondents had more experience with auto repairs than any of the other services studied, rated those repairs as among the most important of all services, and more respondents were dissatisfied with that service (auto repairs) than any other.
- A recent FTC study (Feldman, 1976) found there were about 4 times the number of warrantable defects for new cars as there were against all products and that 30 percent of all car complaints took more than a month to settle as compared to 14 percent for all other products.
- With limited evidence available, it seems fair to conclude that purchases where high effort (Menasco and Hawkins, 1978) is expended and which have a higher purchase price may well increase the likelihood of postpurchase dissatisfaction (Czepiel and Rosenberg, 1977).

The American attitude towards new car warranty service is probably best described in recently concluded FTC hearings where consumers tested that dealers were in the habit of giving their "wall jobs" or "sun baths." In sum, warranty service by its very nature of being service (Bernacchi and Kono, 1978) and one which the consumer has much experience, and being tied to an expensive, complex, and ego involving product as an auto encourages a high level of dissatisfaction.

Lastly, from a legal perspective, warranties themselves are seller affirmations that consumers will be "satisfied" with the quality or performance of goods being sold. In short, express warranties make such affirmations in writing and according to the Uniform Commercial Code, every sale has an implied warranty of merchantability and product fitness. In essence, consumers are assured that goods they buy are fit for the purpose for which they are sold.

Although the problem is well known, this study is the first to thoroughly examine auto warranty service satisfaction/dissatisfaction, its effects of dissatisfaction on repurchase intentions, and those who are dissatisfied. Earlier presentations of this study's dates (Bernacchi and Kono, 1978) focused on the nature of owner dissatisfaction on

its effects on repurchase intentions. This paper will recap those results and then focus on the dissatisfieds themselves since some of the logic of their dissatisfaction may revolve around who they are (demographics), what their expectations are, what type of prior satisfaction experience they have had, the class of auto they purchased and the type of problems they have within that product class.

#### METHODOLOGY

As presented earlier (Bernacchi and Kono, 1978), 1978 and 1979 model new car owners of a major domestic automaker provided the population base. A stratified cluster sample, by geographical region and vehicle type (e.g., compact, intermediate, etc.) was used. There were 2330 qualifying sample elements (at least one warranty service repair during 1978). 750 responded to the four page mail questionnaire with 675 usable questionnaires resulting.

#### RESULTS

Below the results concerning the nature of satisfaction/dissatisfaction with warranty service and the relationship between dissatisfaction and repurchase intentions (presented at the Fourth Annual Satisfaction-Dissatisfaction Conference, 1979) are recapitulated followed by the profile of those who were dissatisfied.

##### Satisfaction/Dissatisfaction with Warranty Service<sup>1</sup>

- 289 (42.8%) of respondents claimed to be dissatisfied with their present warranty service.
- Given the opportunity to respond with multiple reasons for being dissatisfied, more "dissatisfied" respondents, 156 (52.3%) claimed that their "repeat warranty visits for the same problem" than any other reason. The next two reasons, "work done poorly" and "work not done" were each mentioned about 38% of the time.
- "Dissatisfieds" overwhelmingly listed "repeat warranty visits for the same problem" as their "most irritating" problem. (Bernacchi & Kono 1978)

The data demonstrated that those who were dissatisfied with their warranty service more often claimed it was because of "repeat visits for the same problem" than any other reason and also more often claimed it was their most irritating problem than any other problem.

##### Dissatisfaction and Repurchase Intentions

1. Of the 289 warranty service dissatisfieds, nearly half (130) would not purchase another car from the same manufacturer and 69 of them specifically said warranty service dissatisfaction was the reason (this amounts to about 10% of all respondents).

<sup>1</sup>It is interesting to note here that warranty service was ranked the 7th most important new auto selection criterion with only 9% of all respondents checking it.

2. Of the 69 who would not repurchase because of service dissatisfaction, 17 (25%) had purchased their last and next to last auto from the same manufacturer as their present auto. (Bernacchi and Kono, 1978).

These data suggest that brand loyalty towards autos may well be dislodged by consumers who are dissatisfied with their warranty service.

##### Profile of the Dissatisfied

In addition to degree and source of warranty service dissatisfaction, other factors that may contribute to consumer dissonance were analyzed. Findings are summarized below.

Expectations for Warranty Service. Given the general agreement in studies to date regarding unmet expectations and post-purchase dissonance (Hempel, 1977; Kahn, 1979; Miller, 1977; Pfaff, 1972; Valle and Wallendorf, 1977; Anderson, 1973; and Aiello and Czepiel, 1977), it was not surprising to find that expectations for warranty service have a strong influence on later satisfaction levels. Respondents in this survey were asked to check whether warranty service was expected, better than expected, or worse than expected. Out of 675 respondents, 57% said service was worse than expected. More to the point, out of 289 service-dissatisfied respondents, 85% stated that they had expected better service. This finding, statistically significant at the 1% level, indicates clearly that disappointed service expectations contribute to service dissatisfaction.

Product Segment. It was postulated that buyers in certain segments, perhaps luxury cars, might have higher expectations for product performance and greater tendencies toward service dissatisfaction. The tabulation below shows percent of dissatisfied respondents by vehicle segment:

Segment	% Service-Dissatisfied
Subcompact	50%
Compact	36%
Intermediate	52%
Full size standard	40%
Luxury	33%
Light truck	47%
All	42.8%

If we assume that product segment has no influence on service dissatisfaction, then proportion dissatisfied in each segment should be the same as that for the total sample: that is, 42.8%. Statistical comparison of observed and expected frequencies does support this hypothesis at 5% significance level. Our conclusion then was that product segment did not significantly influence service satisfaction in this study.

Prior Satisfaction. Present service satisfaction is compared with prior product satisfaction for products from the same manufacturer in the tabulation which follows:

Satisfaction measure	Observed Frequencies		
	Last 2 cars from same mfr. (n=216)	One of last 2 cars from same mfr. (n=186)	Neither of last 2 cars from same mfr. (n=179)
Will not repurchase	19%	27%	34%

Statistical conclusion, significant at 1%, is that past satisfaction with the manufacturer's product appears to increase chances of present service satisfaction, and conversely, dissatisfaction in the past is associated with higher probability of present service dissatisfaction.

Product Related Factors. With regard to the total product experience, warranty service satisfaction was found to be negatively affected by dissatisfaction with the vehicle at delivery, problem type (engine and transmission problems were considerably more likely to generate service dissatisfaction) and number of service visits. These findings are not surprising.

Demographies. Tendency to be dissatisfied was affected by age and geographic region of respondent: a significantly higher than average proportion of dissatisfieds were in the 18-44 age group and resided in the Southwestern U.S. Other demographic factors, namely sex, education, family income and population of town or city in which respondent lives, were shown to have no significant influence on service satisfaction.

Summarizing this study's findings through the eyes of those who were dissatisfied showed that:

1. A substantial proportion of respondents (43%) claimed that they were dissatisfied with the warranty service.
2. Dissatisfieds most frequently cited repeat visits as the reason for their dissatisfaction as well as their most irritating problem.
3. The repurchase intention of dissatisfieds would likely be adversely affected by warranty service dissatisfaction.
4. While rather predictably, dissatisfieds' expectations of better warranty service were not realized, the type of car they purchased (subcompact, etc.) unpredictably did not affect whether they were satisfied or not.
5. Those who had been dissatisfied with their warranty service in the past were much more likely to be presently dissatisfied than those who had been satisfied in the past.
6. Dissatisfieds were younger than the average respondent.

#### Conclusions and Recommendations

##### Conclusions

- Satisfaction, while always related to consumer expectations, was not, interestingly enough, differentially affected by product type (subcompact, etc.).
- The need for manufacturers to reduce the alarming proportion of auto warranty service dissatisfied is patent.

- Further, dissatisfieds revealed the strong need for manufacturers to perform auto warranty service correctly the first time.
- The need for manufacturers to be particularly sensitive to younger new auto purchasers (concerning warranty service) who are more likely to be dissatisfied than those older. The brand loyalty of these younger new auto purchasers and consequently the future of the automotive industry, may well depend on the industry's sensitivity towards and performance of auto warranty service.

##### Recommendations

Previously, your authors have recommended that the auto industry reduce auto warranty service dissatisfaction and that the auto industry initiate a continuous monitoring of warranty service satisfaction/dissatisfaction (Bernacchi and Kono, 1978). Based on the additional information presented in this paper and the plight of domestic auto manufacturers, your authors further recommend that:

- Auto industry manufacturers adopt a "doing it right the first time" philosophy as a method of reducing warranty service dissatisfaction and encouraging brand loyalty.
- Domestic auto warranty service must be used as an aggressive offensive tool against foreign competitors. While it is the case that the capital intensive auto industry may not be able to respond to changing consumer product needs with as much speed as deemed desirable or necessary, the same may not be said for its labor intensive counterpart, auto warranty service, with all due respect to "the right product for the right market" and "if you back them better, you must build them better." Auto warranty service satisfaction should be asserted as a domestic competitive lever against foreign competition rather than as a domestic brand versus brand lever. While this commitment does not spell auto industry recovery in and of itself, it appears to be an important and necessary step.

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NO FAULT PRODUCTS LIABILITY  
SERVICE OR DISSERVICE TO THE MARKETPLACE

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Abstract

Till the last decade or so consumers were seriously disadvantaged in their attempt to seek redress for product related injuries. The pendulum has swung, however, so that both the legal and economic systems have taken the task of protecting the consumer very seriously. This paper traces the evolutions of products liability doctrines and then opens its discussion to no fault products liability and suggests probable marketplace implications. The impact of no fault products liability (if implemented) would be very far reaching and would affect product planning, design, packaging and labeling, among other areas.

Introduction

Products liability claims have increased 20 times in the last decade and are expected to double again reaching 2 million in total by 1980 (Executive Report, 1977). It is also estimated that the average size of a product liability claim settled in court has increased 7 times in the past decade (Detroit News, 1977). It is well documented that the cost of product liability insurance has dramatically, if not catastrophically, risen in recent years. The data show that in the last 2 or 3 years a typical firm has had its product liability insurance doubled (American Metal Market, 1977; Benningson and Benningson, 1974). In a recent survey about 3/4 of all reporting firms stated that products liability is or will become one of the most serious problems they have to face (Executive Report, 1977). A select number of firms have claimed or anticipate that their products liability insurance will bankrupt them.

On the other hand, American consumers suffer from a startling number of product induced personal injuries. The Product Safety Commission found that 20 million Americans are injured annually by a variety of consumer products with about 110,000 being permanently disabled and 30,000 killed with annual costs to society well in excess of 5.5 billion dollars (O'Connell, 1975). Unfortunately, for the final consumer, the Product Safety Commission has estimated that in spite of the outrageous growth in product liability claims, over half of all product liability awards go for legal and administrative expenses.

The Evolution of Products Liability Doctrines

The growth and development of legal doctrines in the area of product liability reflect: 1) the

internal struggle of the legal system to deal effectively with the issues raised and 2) the changing marketplace. The 18th and 19th centuries of laissez faire capitalism of common law theories of liability were based on warranty, contract or deceit primarily to limit the liability of the manufacturer.

At the start of the 20th century, rapid changes in the American marketplace brought about by mass production demanded that the courts overlook the strict privity of contract requirements and allow suits because of implied warranty or negligence (in tort). This shift from contract to tort law widened the scope of remedies available to injured parties and clearly signaled the demise of caveat emptor. By 1916 (Macpherson v. Buick Motor Co.) the doctrine of strict liability which determined liability on the likelihood of injury to the consumer rather than the performance of legal activities was expanded beyond ultrahazardous activities and products that were inherently or imminently dangerous to life or health. It now included the sale of all dangerous products.

By 1944, In Escola V. Coca-Cola Bottling Co., Justice Traynor carried the concept one step further when he ruled, ". . . it should now be recognized that a manufacturer incurs an absolute liability when an article he has placed on the market, knowing it is to be used without inspection, proves to have a defect that causes injury to human beings." (24 Cal.)

While very few courts have accepted Traynor's California posture, most have accepted various forms of strict liability. As of Spring, 1977, product liability suits generally apply any combination of negligence, warranty and strict liability theories.

The change in legal philosophy by the courts from that of manufacturer protection to consumer protection is a reflection of the legal profession's recognition of the changing marketplace catapulted by the consumerism movement of the 60's. This shift in legal thinking reverses the basic legal tenet of being financially responsible for fault. The point is that once compensation for injury and fault are no longer related then the issue becomes what legal and marketplace tenets should be accepted to ensure the desired marketplace relationships.

In essence, neither the placing of marketplace risks on the individual nor the widespread application of strict liability seem to be very favorable alternatives. Acknowledging these undesirable alternatives encouraged the development of no fault products liability, where the risk of the enterprise is spread over the group and no one is excessively burdened.

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## No Fault Products Liability

Under no fault, the manufacturer or seller would automatically bear the cost of the claim initially (although he might well pass on the costs to society in the form of higher prices at a later stage). While no fault smacks of social insurance the major difference is one of incidence. That is, in the case of social insurance society bears the costs immediately while in no fault the manufacturer/seller bears the cost initially although he may shift the burden ultimately to the consumer.

No fault "is a term commonly used to describe a device or system by which responsibility for casualty losses is assessed without regard to causation or fault." (Martin, 1965) All that a person need prove under a system of no fault liability is that he suffered injury through the use of a product in order to claim compensation. It is immaterial whether the injury occurred as a result of a defect in the product, or through the plaintiff's negligence in using the product, or if the party was an innocent bystander. Injury or accident would be the starting point for a claim and not causation, privity or fault as under the present system. No fault advocates strongly believe that "tort law should be based not on fault (or its analogue, a defect) but rather on the risks systematically created by enterprises . . . ." (O'Connell, 1973).

The basic goal under this concept is market deterrence which operates by placing the costs of accidents on the activities which cause them; for example, by making manufacturers liable for all personal injury caused by their product regardless of fault or defect. The effect would likely be rising prices, falling sales and product use with the level of accidents abating. ". . . Finally, (the manufacturers) would have an incentive to redesign (the product and) to improve safety features. A variety of market forces would be set in motion to lower the total loss through accidents." (O'Connell, 1975).

### Elective No Fault

The foremost advocate of no fault products liability, Prof. Jeffrey O'Connell (1973), has proposed that the enterprise (firm or organization in other words) be allowed to elect no fault liability on a contractual basis. The enterprise would be allowed to limit its no fault coverage to any class of risks it chose; other risks would remain subject to traditional tort law.

O'Connell justifies this unique proposition by stating that while an enterprise may pay more total personal injury claims, it would pay less per claim and there would be no claims of pain and suffering nor duplicate insurance payments. O'Connell also claims that the large payments now being paid to determine fault and product defect would be saved (1975).

O'Connell's critics have pointed out that: ". . . The potential wrongdoer not only has the power to select which risks will be placed under

no fault, but he is also permitted to select the amount of coverage" (Schwartz, 1975). They feel that elective no fault gives the elector unreasonable power in that "the grossly negligent or reckless defendant will be able to escape tort liability by electing no fault" (Schwartz, 1975).

### No Fault Experience

To obtain a better idea of some of the likely consequences of foregoing the negligence principle in favor of no fault liability, one should examine the experience of no fault liability in two areas where personal injury occur:

1. Industrial Accidents are generally covered by various "no fault" workmen's compensation acts. Here, the employer is held liable for any injury to his employee arising out of and in the course of his employment (O'Connell, 1975). The law thus guarantees security to the injured worker and induces the employer to provide safe working conditions.
2. A few states have passed no fault automobile accident statutes. Opinion is divided on the efficacy of such bills. On the one hand, the injured victim is able to obtain almost immediate reparation and is not subjected to heavy legal costs and lengthy suits. On the other hand, the victims most seriously injured received compensation several times in excess of their loss (O'Connell, 1975).

### The No Fault Controversy

The issues of products liability are often technical and time consuming requiring expert services to unravel the technology and probe the minutiae of the product. Further, manufacturers strongly resent any "defective" innuendos taking great pains to defend their reputation. However, the major problem that the client faces is one of time and cost. Most clients cannot afford the legal costs involved in a lengthy trial and generally agree to a contingent fee which has led to further abuse of the system.

In the face of loss of confidence in the fault adversary system and its practitioners and the realization that there is no coherent theory of strict liability nor any real criteria for determining liability between negligence and strict liability, no fault offers the alternative of predictable uniform and clearly defined rules and applications. It is an efficient, expeditious and humane way of settling claims. Under the fault adversary system many claims never reach the courts because they are difficult to prove and they involve lengthy and costly litigation.

Since no fault generally involves payment only for injury, wage loss and medical expenses, and eliminates damages for pain and suffering, it is a boon to the manufacturer. Although the number of claims would probably increase, based on the decreased accident rate per product, the sums paid out would likely be smaller and relatively easier to estimate. From the point of view of society in general, no fault, by making industry responsible for accidents,

would force the businessman both to reduce the accident level and improve safety measures. The market cost will correspondingly be adjusted to reflect the changed nature of labor, material and social costs. Lastly, by spreading the loss over buyers and sellers at large, society cushions the impact of the injury on the accident victim who is already suffering the physical consequences.

### Marketplace Implications

#### Product Planning, Design, Packaging and Labeling

No fault products liability would likely revolutionize product planning and designs. That is, under O'Connell's elective no fault scheme the manufacturer will have a new tool for market segmentation. Products will be designed and produced with the specific intent of appealing to risk takers and risk averters. While no one can deny that product safety, for example, appears to be synonymous with consumer welfare, is not the serious limiting of marketplace alternatives an infringement on the consumers' freedom to consume? That is, should consumers be forced to purchase safety over a wide range of products whether they want, need and/or desire it? Would not consumers of no fault products be encouraged to irresponsibly consume? Perhaps, as Bernacchi and Kono (1977) suggest the pendulum must again swing in a caveat venditor direction. Where no fault product liability would apply, it is likely product design, construction and packaging will exceed what will be required to obtain insurance. Is this "excessive" design, construction and packaging wanted, desired or even advisable? The point is that, excessively safe and functional design, packaging and labeling may not only ignore the highly revered marketing concept of consumer satisfaction but may actively cause dysfunctional purchase behavior and dissatisfy the consumer. With no fault products liability the issue of informative labeling would likely become moot save the necessity (under elective no fault) of designating whether a given product is no fault insured as the "Surgeon General's Warning" on cigarettes.

#### Pricing

Suffice it to say that any products under the no fault system are likely to be significantly higher priced because while the initial incidence of no fault is on the manufacturer, that incidence will be shifted to the consumer in terms of higher prices. It is possible that certain manufacturers could afford to absorb some or all of the increased manufacturing costs therefore creating greater imperfect competition in the marketplace because other firms would have to pass on those costs to the consumer. On the other hand, one could argue that if no fault products liability is successful, in the long run products will be lower priced (assuming the manufacturers pass products liability savings on to the consumer).

#### Distribution

If elective no fault were adopted it could indeed redistribute the risks and responsibilities in the

channel system. That is, while the manufacturer has been introduced as the likely no fault purchaser there is no reason why another channel member could not choose to spread the risk among all her consumers and purchase the no fault insurance herself. There would be no question that any possessor of no fault would be the "channel captain" for the insurance's duration. While it is likely that present channel captains would be the most obvious purchasers of no fault, it is not fait accompli. In other words, the mere purchase of no fault could change the entire relationship among various channel members depending on what member is the purchaser of the no fault insurance.

#### Marketing Communications

While the usual information about producers, products, services, warranties and guarantees will still be important, the most valuable information will be which products have no fault products liability insurance. As earlier suggested, the purchase of no fault could be the "all-time" market segmentation scheme. In essence, any firm which has purchased no fault would be very foolish not to communicate that fact as often and as strongly as possible. No fault products liability is the ultimate in buyer protection plans. The task of most no fault products communication would be to inform its audience of its no fault status while explaining to them the need for such insurance as well as listing the increased benefits and satisfaction to be derived from the purchase and consumption of these products.

### Conclusion

There is no question that till the last decade or so consumers were seriously disadvantaged in their attempt to seek redress for product related injuries. The pendulum has swung, however, so that both the legal and economic system have taken the task of protecting the consumer very seriously.

As clear as the legal and economic systems' transitions are, is the fact that some strong consumer protective form of products liability will exist whether it be volitional or legal system induced using theories of tort, contract and/or strict liability. Whatever the form, the key to effective product loss management is knowledge of everything there is to know about the product from design to sale and having this information available in evidentiary form. Loudenback and Goebel (1974) demand the strong use of marketing research, marketing communication and post-purchase service programs to avert the tide of increasing products liability legislation.

Whatever the program chosen, one must always realize that the marketplace always demands balance. Manufacturers, consumers, legislatures and the judicial system must make decisions fully recognizing that while business has been instrumental in causing the present products liability debacle and must be in the forefront of responsibility and resolution to the heinous problems of products liability that "the scales of justice in our society must be balanced by fairness to seller as well as user"

(Greyser and Diamond, 1974).

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## JOB MARKET FOR CONSUMER AFFAIRS PROFESSIONALS

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### Abstract

In this paper, it is suggested that consumer affairs graduates and their advisers consider three points: 1. The difference between entry level jobs and long run career aspirations, 2. the importance of being sensitive to consumers wherever one is placed in an organization and 3. the need for creative thinking with respect to job possibilities.

It is important, in looking at the question of jobs for consumer affairs graduates, that students and faculty advisers keep in mind some important distinctions:

1. The difference between the entry-level job and the long run career aspirations of consumer service graduates. A recent Master's student was told during an employment interview that it would take 5 years to move into a consumer related job in the corporation. This time would, of course, be used in learning about the business.
2. The difference in any organization between being sensitive to and understanding of the needs and wants of consumers and not having such sensitivity. In a number of analyses of corporate responses to consumer needs, the perceptions by top officers that problems existed and a willingness to handle problems has been identified as of major importance.
3. The difference between jobs directly in consumer affairs and jobs that consumer service graduates are prepared to do given the competencies they have acquired in their program.

It is emphasis on this last point that can lead advisers and students to a creative expansion of thought about the kinds of jobs and the areas of employment where consumer affairs graduates can find challenging jobs. At the entry level for Bachelor degrees, a job in sales has been for some students, satisfying and well paying employment. Such a job can offer a career ladder and eventually a position in consumer affairs - for those who are talented and determined.

Competencies for eight careers have been identified in a series of Business Career guides developed by the Home Economists in Business. Two competencies needed by Consumer Affairs graduates are:

1. An awareness of the consumer affairs function as related to the organization and to other departments.

Let us assume that you are hired into a business, but not in consumer affairs. However, your ambition is to move in that

direction. You can do much to prepare yourself by working to develop this competency. You should recognize and analyze what consumers need and want from your organization, the costs and the benefits of providing these needs and wants, and the systems wide effect of meeting these needs.

2. An ability to write clearly and concisely and communicate effectively with a wide range of people.

It is boring to hear - and say - this over and over, but it is important - it is worth emphasizing. Good communication skills are essential.

Finally, we all need to recognize that we are in an emerging field, we are not identified by many; in some cases, even by ourselves. Thus we need to educate others, clarify our own thinking and be creative in our approaches.

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## A NEW STRUCTURE FOR CONSUMER ECONOMICS EDUCATION

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The goal of the 18-month contract for "Consumer Education and Economic Education in the Public Schools" was the development of a framework for integrating economic and consumer education and the identification of strategies for effecting this integration within the local schools. This contract was funded by the Office of Consumers' Education, U.S. Department of Education, through the Joint Council on Economic Education.

To accomplish these tasks, the contract utilized the expertise of leaders in the fields of consumer and economic education for critiquing and expanding the framework of economic/consumer integration begun in prior Office of Consumers' Education projects. The project involved: (1) contracting for the following position papers on subjects relating to this integration:

- Project Overview  
Judith Staley Brenneke
- What is Consumer Education?  
Rosella Bannister  
Stewart Lee
- What is Economic Education  
James Calderwood  
Francis W. Rushing
- Examination of the Integration of Consumer and Economic Content  
L. Gayle Royer  
John Morton  
Gwen Bymers  
Marian Kienzle and George L. Wyatt
- Analysis of Content in two Units:  
Credit and Transportation  
Lewis Mandell  
Lillian Mohr  
Herbert Jelley
- Analysis of Content in two Units:  
Housing and Public Goods and Services  
Roman Warmke  
Roger Swagler  
William Halstad
- Evaluation of Consumer and Economic Education  
Evaluation Designs and Instruments  
Thomas Duff  
Lee Richardson  
Mary Beth Minden
- Summary of Seminar Presentations and Discussions  
John E. Clow

(2) provision of a forum (July 9-11, 1980) to facilitate delivery of, reaction to, and discussion of the position papers by 48 leaders in the fields of economics and consumer education; and

(3) publication of a proceedings document containing these papers, a rationale for the contract, and a summary of the effect of this contract on the local schools.<sup>2</sup>

A further purpose of this project was to provide usable information to school administrators, curriculum developers, and classroom teachers interested in integrating consumer and economic education into local curricula. To achieve this, a monograph entitled Consumer Education and Economic Education in the Public Schools: Avenues for Implementation was produced.<sup>3</sup> This monograph, to be sent to curriculum developers and school administrators throughout the nation, outlines a new structure for consumer economics education which embodies (1) a rationale for the inclusion of consumer economics within the "normal" school curriculum; (2) a generalized methodology by which one can determine the "appropriate degree" of economic conceptual emphasis within the consumer economics areas; and (3) a detailed procedure through which a new consumer emphasis may be infused into the existing curriculum.

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Northern Illinois University.

<sup>2</sup>Judith Staley Brenneke, Editor. Consumer Education and Economic Education in the Public Schools (New York and Washington, DC: Joint Council on Economic Education and U.S. Department of Education, 1981).

<sup>3</sup>\_\_\_\_\_, Consumer Education and Economic Education in the Public Schools: Avenues for Implementation (New York and Washington, DC: Joint Council on Economic Education and U.S. Department of Education, 1981).

CONSUMER EDUCATION, PAST EMPHASIS, AND FUTURISTIC ISSUES: A NEW STRUCTURE FOR  
CONSUMER ECONOMICS EDUCATION

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Abstract

What has been attempted in this paper is the delineation of a new structure for consumer economics education. A three-part approach has been taken to answer the questions: (1) Why do it?; (2) What should be done?; and (3) How can it be accomplished? To answer the "why" of consumer economics, a brief curriculum rationale is presented, along with an examination of the current status of consumer education in the schools. The heart of the paper provides a method by which the conceptual hierarchy of economics within consumer education can be established, stressing certain core concepts, as well as Intermediate and Advanced groupings of economic concept clusters. Finally, after a general discussion of the process of curriculum change, a specific model is presented in skeletal form.

During its six-year lifespan, the Office of Consumers' Education (OCE), U.S. Department of Education, has attempted to assist in the development of a structure for consumer education. A variety of papers has been commissioned examining topics such as the role of the consumer, the history of the consumer education movement, and an analysis of the interaction between consumer and economic education. In July, 1979, the OCE contracted for the development of a framework for the interrelationships between consumer education and economic education. The project utilized the expertise of leaders in the fields of economics, consumer, social studies, business, and home economics education for critiquing and expanding the framework of economics/consumer integration begun in prior OCE projects. A further purpose of the project was to provide usable information to school administrators, curriculum developers, and classroom teachers interested in integrating consumer and economic education concepts into local curricula.

This paper outlines a new structure for consumer economics education which embodies (1) a rationale for the inclusion of consumer economics within the school curriculum; (2) a generalized methodology by which one can determine the "appropriate hierarchy" of economic conceptual emphasis within the consumer economics area; and (3) a detailed procedure through which a new consumer economics emphasis may be infused into the existing school curriculum.

I. The Rationale

When investigating avenues for school district implementation of a topic or collection of topics, it is first advisable to examine what that topic

contains. The area of study called "consumer education" can claim no shortage of varying definitions. There are over 38 state mandates, recommendations, or policies on consumer education - each with its own verbiage and conceptual structure (Alexander, 1979). Add to this the definitions contained within leading texts, within research on the subject, and within federal directives and one comes up with quite an interesting "definition of an elephant". However, to simplify the analysis, we will offer two definitions - one by the OCE, the other by a project commissioned to define the content and structure of consumer education, the Consumer Education Development Program (CEDP) (Bannister, 1979).

Consumers' education is an effort to prepare consumers for participation in the marketplace or in situations involving use of resources, public and private, by imparting the understandings, attitudes, and skills which will enable them to make rational and intelligent consumer decisions in the light of their personal values, their recognition of marketplace alternatives, and social, economic, and ecological considerations.

Office of Consumers' Education  
U.S. Department of Education

Consumer education is the study of the knowledge and skills needed by individuals and groups in managing consumer resources and taking actions as citizens to influence the factors which affect consumer decisions.

A Classification of Concepts in  
Consumer Education

Consumer Education Development  
Program

In effect, these two definitions concur that teaching consumers to manage resources is an essential ingredient of consumers' education. Additionally, both appear to recognize that a voting citizen performs a consumer role. One definition calls for "use of resources, public and private" while the other specifically calls for "taking actions as citizens".

The Role of Economics in Consumer Education

Increasing the confusion in the area of consumers' education is the occasional substitution of the term "consumer economics". Although these terms have in many cases been used interchangeably, this is not necessarily valid. Consumer economics concepts are those economics concepts that are applied to consumer issues and concerns. If consumers' education utilizes concepts and knowledge "borrowed" from varying disciplines (economics, sociology, ecology, etc.) then those concepts which have an economic basis are consumer economics concepts. Similarly, one should be able to identify consumer sociology and consumer ecology concepts. However, the project from which this paper was developed was primarily

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interested in the interplay between consumer and economic education.

One must be careful not to automatically assume that consumer economics is present in all consumer education courses. The presence of economic analysis is contingent upon an understanding of basic economics by the classroom teacher and the curriculum developer. Further, these persons must be able to apply this basic economics to issues involving the consumer in order to facilitate their analysis.

It is also important to carefully distinguish between "positive economics" and "normative economics" in a consumer education context. Positive economics deals with the development and manipulation of economic concepts, principles, and generalizations in a straightforward, predictive way. It attempts to state propositions in an "if . . . then . . ." way, using scientific method to either defeat or tentatively confirm suggested relationships. Normative economics, by contrast, attempts to specify what ought to be, rather than what is. The problem with normative propositions is that there is no scientific way in which such propositions can be either proved or disproved. One person's normative statement may be merely another person's opinion.

#### The Study of Factors Affecting Consumer Decisions

Consumers' education not only encompasses a variety of established disciplines, but is also found in grades K-12 and in a wide variety of course subject areas. In fact, it might be more appropriate to discuss the area of "consumer studies" when examining anything other than the final "capstone" course. This distinction becomes important when considering the content that is introduced. The field of consumer studies, since it is multi-grade and interdisciplinary, covers a much wider set of concepts and knowledge. Much more limited is the consumer education course - where, in 9-18 weeks, the teacher attempts to deal with the most essential knowledge necessary for decision making. Consumer studies (or education) recognizes the role of basic skills in determining consumer competency. This expansion of scope beyond the basic, single course increases the dimensions of traditional educational subjects. In fact, one can find several instances where this is already being done.

For example, the traditional elementary math class deals with concepts such as percentages, graphs and charts, and basic addition, subtraction, multiplication, and division. These skills are all essential to basic consumer decision-making. How could consumer concepts such as unit pricing or comparative shopping be taught if the students had no basis in introductory math? Likewise, the process of unit-pricing could be used to reinforce division in the elementary mathematics classroom. Thus, established curricula are expanded and basic consumer concepts are introduced. Likewise, in a verbal society such as ours, where the written and spoken word must be understood in order to function, the elementary and secondary language and English classroom is an integral part of consumer studies. English is necessary for an understanding of Shakespeare - and also for an understanding of contracts

or an evaluation of advertising claims. It is essential that tomorrow's citizens examine other societies, the geography of our world, and history so that they may better understand what is happening in the world around them. However, it is also essential to understand other societies and their economies so that we will be able to cope in what is increasingly becoming a world economy. The concepts of social studies taught K-12 are necessary in order to help understand the relative benefits and costs of buying Japanese televisions or shoes from Italy.

A necessary question to address is the importance of identifying the economics in consumer studies. Economic concepts assist in the analysis of alternatives and their consequences, thereby allowing the individual to make better decisions. Decision-making is the core of consumer studies. Therefore, the identification of economic concepts enables application of these concepts to new situations and issues, thus allowing consumers to deal with current and future issues. Use of economic vocabulary allows the communication of specific understandings or concepts and increases the possibilities for concrete application. "Scarcity" has a definite and specific meaning in economics which may be applied in a variety of circumstances. Likewise, the concept of "multiplication" has a definite and specific meaning which is much easier to understand than if the term "repeated addition" were used. Terminology can serve as a shorthand allowing more precise application. Every subject has its terminology which, once learned, can then be applied under differing conditions. The concept of "unit pricing" quickly refers to a process - and could then be used to conjure up that process under varied conditions.

Identification of the economic content in other studies also encourages the correct use of this content. There is no assurance that the persons teaching consumer studies have any background in related fields. Therefore, there is no assurance that the concepts are used correctly. It is often merely assumed they are there.

Thus, it is necessary to examine the field of economics so that the concepts optimally useful to this process of decision-making may be identified. This paper presents a process for the sequential use of these applicable economics concepts. Also examined is a suggested method of curriculum change that may be used by local institutions in incorporating these concepts into existing curriculum.

## II. Identifying the Economics in Consumer Education

In 1976, the Joint Council asked four respected economists to delineate the optimal level of economic understanding for a graduating high school senior. What eventually was developed was a list of concepts and their definitions under the Master Curriculum Guide Project (Hansen, et. al., 1977). Since its publication, the Framework has been accepted throughout the country as a basis for the evaluation and development of school economics curriculum. The Master Curriculum Guide Project now

is composed of six publications; the Framework which forms the base content and five Strategies volumes for teaching economics in a variety of grade levels and disciplines, one of which is basic business and consumer education (JCEE, 1978-80).

The economic concepts used in the Framework are not weighted as to their priority or applicability. These concept clusters merely indicate the skills and knowledge desired of graduating seniors in order to function in an economic world. These same Framework concepts can also be used to identify the economic basis in consumer education. A variety of schema have been used to identify consumer economic concepts in the past. The more common method of denoting the importance of those concepts chosen has been to assume all the concepts noted on a given list are equally important (see Royer, 1977; Bannister, 1981; Bymers, 1981; and Morton, 1981).

However, it can be suggested that all economic concepts can and should be presented in a hierarchical manner. For instance, it is extremely difficult to deal with the concept of market failures without first achieving an understanding of the underlying concepts of markets, supply and demand, and marginalism. Without an adequate understanding of the core economic concepts, it may be extremely difficult for the consumer education student to examine intelligently more complex economic concepts or issues in a limited period of time.

Of additional importance is the limited amount of time allocated to the consumer education curriculum. Economics isn't the whole story in a consumer education program. "Although consumer education that does not include solid economic understanding is misnamed, consumer education also deals with skills and understandings that do not necessarily include an economic basis" (Bymers, 1981).

## Introducing the Consumer Economics Sequence

Because of these conflicting demands of scarce time and the need for core understandings, it is necessary to sequence the Framework concepts for their value in the study of consumers' education. Two recent independent studies have utilized a version of this approach. The Strategies document dealing with consumer education utilizes a modified list of eighteen concept clusters to indicate their use in activities in the book (Niss, et. al., 1979). By totaling the number of times a given concept cluster is used in activities throughout the book, a percentage weighting scheme may be arrived at. These activities were developed as examples of the economic concepts and principles most applicable to consumer education. Therefore, the representative weighting of these concepts within the activities can be easily broken into a primary, intermediate, and advanced weighting scale (see Figure 1).

Similarly, Kienzle and Wyatt, in their curriculum development project for the State of Oregon, developed weights for a series of twenty-six concept clusters (Kienzle and Wyatt, 1981). By assigning numeric values to these rankings, one may again develop a primary, intermediate, and advanced weighting schema (see Figure 1).

One is able to develop a composite weighting sequence for the Framework economic concepts from these studies. The composite weighting in Figure 1 indicates that approximately one-third of the Framework concepts are primary concepts in the consumer education sequence. Without a knowledge of the primary concepts, it is difficult to adequately assess current and future concerns of the consumer.

It should be noted that this sequencing does not necessarily exclude any economic concepts from the

FIGURE 1 - Weighting of Concept Clusters for Consumer Economics

BASIC ECONOMIC CONCEPTS*	Strategies	Kienzle/Wyatt	Composite
1. Economic Wants			
2. Productive Resources	P	P	P
3. Scarcity and Choices	P	P	P
4. Opportunity Costs and Trade-Offs	P	I	P
5. Marginalism and Equilibrium	I	A	I
6. Nature & Types of Economic Systems		A	A
7. Economic Incentives	P	P	P
8. Specialization, Comparative Advantage, and the Division of Labor	A	P	I
9. Voluntary Exchange	A	I	I
10. Interdependence	A	I	I
11. Government Intervention & Regulation	I		A
12. Markets, Supply & Demand	P	P	P
13. The Price Mechanism	I	P	P
14. Competition and Market Structure	I	I	I
15. "Market Failures": Information Costs, Resource Immobility, Externalities, etc.	A	A	A
16. Income Distribution & Government Redistribution	I	P	P
17. Aggregate Supply & Productive Capacity		A	A
18. Aggregate Demand: Unemployment & Inflation	A		A
19. Price Level Changes	A		A
20. Money & Monetary Policy		A	A
21. Fiscal Policy: Taxes, Expenditures & Transfers	I	I	I
22. Economic Growth		A	A
23. Savings, Investment, & Productivity	I	I	I
24. International Economics (uses concepts above)			
ECONOMIC INSTITUTIONS		I	A
MEASUREMENT CONCEPTS	I	I	I
CONCEPTS FOR EVALUATING ECONOMIC ACTIONS & POLICIES	P	P	P

(P=primary concept cluster; I=intermediate concept cluster; A=advanced concept cluster)

study of consumer issues. It does, however, recognize the limitation upon the time spent in consumers' education and the competing content demand for that time. Those concept clusters deemed to be primary concepts for inclusion in consumers' education are essential to an understanding of the consumers' role, to the analysis of consumer concerns, and to the study of more complex or specialized economic concepts.

A Conceptual Hierarchy for Consumer Economics

Primary Concept Clusters

- Concepts for Evaluating Economic Actions and Policies
- Economic Incentives
- Economic Wants and Resources
- Income Distribution and Government Redistribution
- Markets, Supply and Demand
- Opportunity Costs and Trade Offs
- Scarcity and Choices
- The Price Mechanism

Intermediate Concept Clusters

- Competition and Market Structure
- Fiscal Policy: Taxes, Expenditures, and Transfers
- Interdependence
- Marginalism and Equilibrium
- Measurement Concepts
- Savings, Investment, and Productivity
- Specialization, Comparative Advantage, and the Division of Labor
- Voluntary Exchange

Advanced Concept Clusters

- Aggregate Demand: Unemployment and Inflation
- Aggregate Supply and Productive Capacity
- Economic Growth
- Economic Institutions (See Brenneke, 1981)
- Government Intervention and Regulation
- "Market Failures", Information Costs, Resource Immobility, Externalities, etc.
- Money and Monetary Policy
- Nature and Types of Economic Systems
- Price Level Changes

The primary concept clusters represent a core of economic knowledge. Once understood, this core of knowledge can then be expanded and built upon through the examination of those concepts found to be intermediate and advanced concept clusters. Again, approximately one-third of the Framework concepts were found to be in the intermediate sequence in Figure 1.

The final division of the Framework concepts, that of the advanced concepts, illustrates many of the more sophisticated or specialized economic concepts. Many of these advanced concept clusters deal with concerns that directly affect the consumer, such as government intervention and regulation, although the sophistication and complexity of economic knowledge required for this analysis makes it extremely difficult to introduce them without a basic understanding of the primary concepts.

Alternatives	Adv. & Disadv.	Selection	Financing	Legal Info.	Social Problems
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FIGURE 2 - Sample Weighting of Economic Concepts for Housing

CONSUMER ECONOMIC CONCEPTS	Alternatives	Adv. & Disadv.	Selection	Financing	Legal Info.	Social Problems
<b>Primary Concepts</b>						
Concepts for evaluating economic actions & policies		X	X	X	X	X
Economic incentives	X		X	X		X
Economic wants and resources	X	X	X	X		X
Income distribution & government redistribution				X		X
Markets, supply and demand	X		X	X		X
Opportunity costs and trade offs	X	X	X	X		X
Scarcity and choices	X	X	X	X		X
The price mechanism	X	X	X	X		
<b>Intermediate Concepts</b>						
Competition and market structure						
Fiscal Policy: taxes, expenditures, & transfers				X		
Interdependence						X
Marginalism and equilibrium	X			X		
Measurement concepts				X		
Savings, investment, & productivity			X			
Specialization, comparative advantage, and the division of labor						
Voluntary exchange				X		
<b>Advanced Concepts</b>						
Aggregate demand: unemployment & inflation				X		
Aggregate supply & productive capacity	X					
Economic growth						
Economic institutions				X	X	X
Government intervention & regulation				X	X	X
Market failures; information costs, resource immobility, externalities			X	X	X	
Money & monetary policy				X		
Nature & types of economic systems					X	X
Price level changes			X	X		

This analysis and weighting of economic concepts was not undertaken in order to formulate a definitive listing. The suggested primary, intermediate, and advanced concept clusters should, however, enable the curriculum developer to examine which concepts "fit" into the curriculum structure being developed. Inclusion of additional concepts requires not only a justification but also an analysis of how they can be added without excluding the primary concepts needed to analyze consumer actions and concerns.

#### An Application of the Consumer Economics Hierarchy

In order to better understand the sequencing of economic concepts in the consumer education classroom, it is useful to examine its application to a typical consumer unit; for example, housing. In examining current texts and their treatment of the housing unit (Walstad, 1981), Walstad determined that the typical content includes the following:

1. What alternative types of housing are available?
2. What are the advantages and disadvantages of the major types of housing?
3. What factors are important to consider in the selection of a house, an apartment, or a mobile home?
4. What type of financing is available for housing purposes?
5. What legal information is required for buying a house or renting?
6. What are the social problems in housing?

Using the matrix presented in Figure 2, one can apply the principle of economic concept sequencing. By examining the cells it can be determined that those economic concepts with the most frequent use are those in the primary group. In fact, if one were to think through the use of these concepts, one would determine that most of the primary cluster concepts are applicable to every consumer unit.

It is through this process of examining each consumer unit and determining the use and placement of economic concepts that the true integration of economics into consumer education takes place.

The major benefit of developing a hierarchy of economic concepts that can be used in consumer education curricula is that it suggests a structure that can be utilized by curriculum developers. This sequence offers a procedure for developing curriculum within flexible time frames and ability levels. It helps to clarify the curriculum developers' task of identifying those concepts to be used within the scarce classroom time available. Once those concepts have been identified, the next step is to implement these new concepts at the appropriate points with the least possible costs to the district.

### III. Integration of Consumer Economics Concepts into Existing Curriculum

If a school district is contemplating the addition of consumer economics to the existing curriculum, it is probably considering a single capstone course, or infusing consumer economics concepts in grades

K-12 (or some subset of these grades). Each of these approaches requires differing budget and commitment levels for the district. The optimal integration of consumer economics into the curriculum is an articulated K-12 infusion. The infusion approach to curriculum adoption allows for the integration of additional subject matter into existing curricula in a cost-effective manner. The use of consumer economics concepts in the area of basic skills already discussed exemplifies this approach. It has the added benefit that, in an already full curriculum, infusion allows for changes at the margin rather than major revisions. However, the method to be used in implementing consumer economics is dependent on the result of four basic operations:

1. Examination of district structure and objectives.
2. Evaluation of the resource constraints of the district.
3. Identification of a coordinator responsible for the implementation's success; and
4. Determination of the desired outcomes from consumer economics.

An example of the infusion approach to curriculum development is found below. Although a district currently may not utilize this particular developmental process for curriculum change, the procedures have been found to be successful in many districts (Symmes, 1969).

#### Examination of District Structure and Objectives

Because of differing socioeconomic make-up of the communities in which school districts function, the overall objectives of districts differ. Although all school districts within a given state must, at a minimum, satisfy state mandates and requirements, the objectives of individual districts also incorporate curricula deemed important to the decision-makers within such districts. Also of importance is the basic curriculum development and modification structure already being used within the district. Most school systems have resources allocated to curriculum modification. However, the priorities for the use of these resources may differ from year to year. The district may have an extremely centralized system where some person or persons from the central office (with the advice of others) decide what curriculum development must take place at what point in time. Other districts may be highly decentralized with the decision-making responsibility vested in the hands of individual school principals, curriculum committees, or individual teachers. The process used in integrating consumer economics should use the existing structure already in place. In other words, it must be determined how curriculum change now takes place - and how these suggested curriculum modifications fit into existing priorities.

#### Evaluation of Resource Constraints

School districts have a wide range of resources available at any point in time. All of these resources (time, money, or personnel) are scarce. Therefore, channeling these resources into any specific project has costs, both dollar costs and costs in terms of other projects that cannot be undertaken (the "opportunity cost" of a decision).

Many districts are confronted by declining enrollments (and subsequent declining finances) while at the same time they face increasing costs. The curriculum is already crowded, and the size of staff is declining. Other districts may be encountering growing enrollment and the differing concerns raised by this phenomenon.

Additionally, districts must examine the amount of training necessary to enable the teaching staff to infuse this new area of study into the existing curriculum. Although outside resources may be found to pay for the graduate credit for this training, these credits may move faculty members into a higher pay category. This has a cost to the district in terms of incremental salaries, but it also provides an incentive to the teachers. The district must examine its capabilities of offering incentives for implementation of any new content.

#### Identification of Coordinator for the Implementation

In order to ensure proper articulation, it is necessary to appoint a coordinator for the infusion process. This person should be given both the authority necessary to ensure that the process can be carried out within the constraints of the district, as well as the responsibility necessary for accountability. So that he/she has a complete understanding of the desired outcomes, it is necessary that the coordinator be involved in the project from the beginning. Having one person in charge insures that the process will not be lost in the press of other district concerns. This person should be able to pull together conflicting or cooperative forces to achieve the overall goals of the district.

#### Development of Desired Outcomes from Consumer Economics

What objectives does the district have for infusing consumer economic concepts? Is there a state guideline or mandate that must be satisfied? Does this mandate state specific objectives?

Likewise, if this implementation has been suggested by a specific teacher or department, have they presented a set of objectives to be achieved? In infusing a new content into a crowded curriculum, it is essential that the objectives to be achieved are delineated. It is also recommended that these objectives be measurable. In this period of increased demands for accountability, it is only through measurement of pre-determined objectives that we can prove whether or not the infusion has been successful and beneficial.

The district should also develop short- and long-range goals for implementation. Once the overall framework for infusion has been developed, the pieces within this framework may be developed over a period of time. Each year, additional curriculum areas can be modified and the teachers trained. Although this may appear to be haphazard, as long as the development occurs within the bounds of an overall framework of objectives, then an articulated curriculum will follow.

Additional assistance in this step may be provided by outside groups such as parents groups, the school board, or special interest education groups. Many times outside expertise and resources for this implementation are available to the district.

The coordinator, selected in the prior step, should be the active ingredient in developing the framework and objectives for this infusion. These objectives act as the guidelines under which this person can operate and offer the means by which the success or failure of the implementation can be determined.

#### Determining the Implementation Method

Optimally, content modification is best accomplished when infused throughout the curriculum, K-12, culminating in a capstone course. However, infusion may take many different forms. Consumer economics concepts could be infused within a limited number of grade levels, within a specific discipline, or through a capstone course only. The model for curriculum change developed through this contract diagrams one method of curriculum infusion, grades K-12, and identifies points at which those wishing to limit the change to certain areas of the curriculum can intercept the process (Brenneke, 1981).

Any district curricular change must take place within the scope of the district's priorities. There are virtually unlimited competing demands on the district's resources; therefore, it is imperative that the district analyze the least costly method of infusion for any content. Within this model, the district could accomplish the infusion gradually, limiting itself to marginal changes accomplished over a period of time within a prearranged framework. Thus, one could possibly begin with lower grade levels, progress to higher grade levels and disciplines, and complete the process with a capstone course, within a 3 or 4 year period. Whichever method of infusion is used, it is essential that the coordinator view past, present, and future efforts within this overall framework of what is to be accomplished. A more thorough examination of this model for curriculum modification is available in the monograph entitled Consumer Education and Economic Education in the Public Schools: Avenues for Implementation (1981).

#### Summary

What has been attempted in this paper is the delineation of a new structure for consumer economics education. A three-part approach has been taken to answer the questions: (1) Why do it?; (2) What should be done?; and (3) How can it be accomplished? To answer the "why" of consumer economics, a brief curriculum rationale is presented. The heart of the paper provides a method by which conceptual priorities can be established, stressing certain primary concepts, as well as intermediate and advanced groupings of economic concept clusters. Finally, after a general discussion of the process of curriculum change, a specific model was presented in skeletal form.



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## ORAL TAPES ON CRITICAL ISSUES IN CONSUMER AFFAIRS

John R. Burton, University of Utah<sup>1</sup>

The purpose of this presentation is to explore the need and feasibility of producing a series of oral tapes on critical consumer issues. These would be tapes which could be used in consumer science classes to enhance the students' awareness and understanding of public policy issues and personalities in consumer affairs. A 1979 study of existing consumer science programs in higher education indicated that there was a growing number of courses offered which pertained to consumer issues and public policy (Burton and Bowers). However, there are two factors that make it difficult to expose students to the various views and perspectives in such courses. First, unpublished data from the study cited above indicate that consumer science programs are generally staffed by only two or three full-time faculty. Second, a review of the textbooks and edited compilations reveals that although much is written in the consumer field concerning financial management, buymanship, and related topics, few non-journal publications present an in-depth discussion of a broad range of consumer public policy issues.

The problems of small staff and inadequate resources has confronted our Consumer Studies program at the University of Utah. Our faculty currently consists of only two consumer studies specialists, and they have a similar view on government regulation and other consumer issues. Consequently this limits the breadth of perspectives available to the students. Our problems are no doubt typical of many consumer science programs. We offer courses on consumer issues and public policy, and a considerable amount of valuable time is spent in preparation by way of gathering materials from recent journals, regulatory digests, new releases, etc. In addition, in an attempt to balance the program and add to the range of views presented to the students, we also offer a course in which we invite persons from the community to speak on consumer issues that are relevant to their business or profession. Unfortunately, these persons often have a provincial view of issues and vary considerably in terms of the quality of their presentations.

An alternative approach to the problems presented above may be to use in the classroom a set of oral tapes on critical public policy issues in consumer affairs. These tapes could be interviews with leaders in the field of consumer affairs who are knowledgeable of specific consumer issues. The tapes would be designed for use in undergraduate senior seminars and graduate courses dealing with consumer issues. It is anticipated that these tapes would be approximately 30 minutes in length and would be focused on the particular expertise of the interviewee.

These tapes could serve as the springboard for discussion and further study.

Prepared tapes could increase the efficiency of faculty, enabling them to reach more students using less direct faculty time. Tapes would be a useful resource in terms of the amount and level of content which could be presented. In order to further enhance the value of the tapes, supplemental material would be included that would define the public policy issue, give a brief discussion of the issue, list the works of the interviewee and give references for additional study. These tapes could be made available to those wishing to use them for the cost of reproduction and handling. Hopefully the intended purpose of increasing the student's professionalism and awareness of personalities and issues would be realized.

Through this poster session I hope to determine the following:

1. The professional interest in the proposed project. If these tapes are produced, would there be a demand for them for classroom use and other related situations?
2. The feasibility of the project. Would well-known authorities on consumer issues cooperate in interviews for these tapes? What might be some impediments?
3. The design of the project. Would a national committee of recognized professionals in consumer science be the most appropriate way to accomplish the following?
  - a. identifying the pertinent consumer public policy issues as topics for the tapes.
  - b. nominating the most appropriate consumer authorities as interviewees on the issues.
  - c. outlining the most interesting and discussion provoking format for the oral interviews.

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John R. Burton and Jean Bowers, "Consumer Science in Higher Education," Proceedings of the 26th Annual Conference, American Council on Consumer Interests, San Diego, California, 1980, pp. 50-55.

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## TIME-USE PATTERNS OF LOUISIANA FAMILIES

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"If I only had more time . . .," or "When I find the time . . .". These statements are heard from consumers at home and at work. How do consumers allocate their time between market and nonmarket activities? The following Louisiana family time-use study provides some answers to this question. Louisiana was one of 11 states participating in a regional family time-use project.

### Method

The data were collected in 1978-79 by personal interviews using two time charts and a survey questionnaire. The instruments were administered to 105 randomly selected two-parent, two-child families in an urban parish (county) in south Louisiana.

### Findings and Discussions

The amount of time Louisiana families spent in various activities is illustrated in Table 1.

Table 1. Average daily time in minutes spent in various activities in two recorded days by family members

Activity	Wives	Husbands	Children
All household work	401	122	46
Food preparation	74	10	7
Dishwashing	35	5	4
Shopping	52	18	14
Housecleaning	48	4	9
Maintenance of home yard, car, and pets	15	26	9
Care of clothing and household linens	29	2	1
Construction of clothing and household linens	7	0	0
Physical care	58	11	0
Nonphysical care	65	35	1
Management	18	11	1
School work	7	10	218
Paid work	102	397	25
Unpaid work	17	7	7
Organization participation	33	35	48
Social and recreational activities	233	238	380
Personal care of self	574	559	633
Eating	70	75	77

The findings indicate that the primary responsibility and the actual work of the household continues to be the lot of women. Mothers spent approximately four times the amount of time as husbands and six times the amount of time as children in household work. Mothers averaged 401 minutes per day, whereas husbands averaged 122 minutes and children averaged 46 minutes.

The mother tends to be the family member who does the shopping. Mothers averaged 52 minutes per day, whereas husbands averaged 18 minutes and the children averaged 14 minutes per day.

Findings from the study also indicate that family members spent limited amounts of time in management. Management was defined as making decisions, planning, supervising, and coordinating activities. Mothers spent 18 minutes, husbands spent 11 minutes, and children spent 1 minute per day in management.

Wives and husbands spent similar amounts of time in social and recreational activities (233 minutes compared to 238 minutes). Not surprisingly, children spent the most time in social and recreational activities (380 minutes).

Figures in Table 1 were presented in an 8' x 6' display at the conference. Bargraphs were used to illustrate the amount of time spent by individual family members. The exhibit served as an ideal medium to discuss possible answers to such questions as: (a) What are consumers' feelings toward the slogans of "time is money" or "scarcity of time is of equal if not greater concern than the scarcity of money"? (b) Have consumers become a "harried leisure class" or moved toward a "leisure society"? (c) How much time do consumers spend viewing television? and (d) Have consumption patterns of our affluent society served to increase household work requirements?

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## CONSUMER EDUCATION: A DEVELOPMENTAL APPROACH

Virginia H. Dickinson, Oregon State University

It could be argued that confining the parameters of consumer education to decision-making and policy-making is overly restrictive. Such restrictiveness limits the range of consumer competencies an individual will be exposed to and ultimately limits the success of individuals in the various consumer arenas. In reality, consumer education is a life-long process and, as such, could be profitably viewed within the framework of a developmental model.

In this paper an original model of consumer education is proposed which draws heavily on developmental learning theory. With that as a starting point several reconceptualizations of consumer education are introduced. 1) The model implies the presence of both qualitative and quantitative growth factors. 2) The model becomes adaptable at any point in a life-long program of consumer education. 3) Competencies are sequentially arranged and the progress of clients is predicated upon their having experienced the previous level of competence. 4) A developmental model will accommodate the multidisciplinary nature of consumer education.

Consumer educators work with a diversified clientele as well as a multiplicity of information sources, concepts, and skills. Additionally, the environment where clients apply their learnings is a complex set of arenas. It is posited that a basic developmental model of consumer education would include three segments: 1) Learning Factors which impinge on student/client interests, abilities, and capacities relative to attaining 2) Consumer Competencies; which, in turn, impinge upon the 3) Consumer Arenas where individuals use acquired competencies (Figure 1).

Let us examine each segment and expand the model.

### Learning Factors

It is proposed that there are four Learning Factors which influence the attainment of consumer competencies: Stage in the Consumer Life Cycle, Level of Consumer Socialization, Level of Cognitive Development, and Level of Moral Development. Each will be briefly discussed.

Recognition and assessment of individual needs is a basic tenant of most educational programs and consumer education is no exception. This has been recognized and referred to by Stampfl (7) in his analysis of the "Consumer Life Cycle." As individuals progress through the consumer life cycle their "Need to Know" changes relative to consumer information, skills, and concepts. Stampfl's analysis is of great assistance in identifying where students may be in the consumer life cycle and what their needs are likely to be. Too often consumer education is based on what students will eventually need to know rather than what students need to know, NOW! When clients "need to know", they are teachable and

the "teachable moment" is a prime factor in the effectiveness of consumer education (2,7).

A second influencing factor, identified by Mochis (5), is the client's level of consumer socialization. Consumer socialization takes place throughout life as an individual reacts with significant others in consumer oriented settings. It is important to realize that individuals cannot be socialized in one class in junior or senior high school to successfully handle all of the consumer situations they will confront in the future. Consumer socialization is a life-long process which uses attitudes and skills previously acquired as a foundation for later, more demanding learning (1, 5,8). Clients come to us at a particular level of socialization. It is the goal of consumer education to build on existing attitudes and skills in order to prepare clients to meet later, more demanding situations.

These two conceptual models, The Consumer Life Cycle and Consumer Socialization, are developmentally based and their influence should be considered in conjunction with two additional developmental models: cognitive development as proposed by Piaget and Gagne (2), and moral development as proposed by Kohlberg (6). Cognitive development refers to acquisition of new mental abilities that were not present before. These new intellectual structures are formed through interaction with the environment. When applied to consumer education, the model would show that as individuals act and react within the consumer environment their abilities to cope with environmental demands increase.

Cognitive development theorists, especially Piaget and Gagne, emphasize that subject matter content should be arranged in a hierarchical fashion so that students move from the known to the unknown from the simple to the complex, the concrete to the abstract, from observation to reasoning, from the whole view to a detailed view to a whole view (2). Consumer education should not be an exception.

Moral development is also developmental in character and is based on Piaget's stages of cognitive development rather than chronological age. Attainment of a given level of cognitive development is necessary, but not sufficient for the attainment of a comparative level of moral development. Moreover, when an individual is under stress moral development may regress.

Individuals in the early stages of moral development are characteristically egocentric. With added experience and association with those at the next higher level, a person's orientation will gradually expand to include concern for significant others, the immediate social environment, the wider community, concerns relative to the general social order, and possibly to the universal ethi-

cal principle orientation (6). Each stage of moral development can be related to appropriate topics and issues in consumer education. The goal is to provide experiences which will enable individuals to move to the next level of moral development, thus encouraging clients to expand their field of consumer concerns.

Each of the four learning factors identified is complex, encompassing far more than it is possible to present here. There are many conceptual overlaps among the factors which provides basis for the assumption that these factors; Stage in the Consumer Life Cycle, Level of Consumer Socialization, Level of Cognitive Development, and Level of Moral Development are interrelated as well as interactive with consumer competencies. (Figure 2)<sup>1</sup>

#### Consumer Competencies

A competency is the state or quality or condition of being capable, having skill, and/or ability. Consumer competencies are those capabilities, skills, and abilities which qualify an individual to perform adequately within the various consumer arenas. The expanded model of consumer education incorporates a developmental or hierarchical arrangement of competencies. It is posited that in order to easily and successfully learn and apply at a given point in the progression, it is necessary to have experienced the previous competencies in actual situations or vicariously.

It is proposed that there are three general developmental operations: Organize, Adapt, and Advocate. (Figure 3)<sup>1</sup>

Organizational operations can be differentiated into three competencies: Recognize, Differentiate, and Compare. Individuals first learn to recognize classes of items and then learn to differentiate among the different items within a class. Once differentiation is accomplished comparison becomes possible. These competencies are basic and would be classified as coping skills in the Willett model of Consumer Education referred to by Langrehr and Edwards (3,4,9).

Adaptive operations include five competencies: Assimilate, Predict, Implement, Evaluate, and Accommodate. Assimilation is the process whereby an individual uses an existing organized mental structure to deal with some problem in the environment. The next competency is to predict or anticipate whether or not the proposed solutions to the problem will be successful. Implementation is next: the individual is able to follow through on a decision or initiate an appropriate solution to a problem. Evaluation is the next competency. Positive evaluation will confirm existing mental structures enabling them to remain as patterns for behavior. Negative evaluations act as triggers for accommodation. A change in environmental demands means that the individual must change response patterns (accommodate). But before response patterns can change there must be a modification or rearrangement of existing mental structures. Many individuals simply recycle through Organization in order to develop an alternative adaptation structure. However, for many individuals accommodation moves past

the internal, personal level as individuals perceive the need to invoke more than personal change and engage in advocacy operations.

Advocate operations include competency in Participation and Influencing. In order to participate or influence an individual must be assertive. To assert is to declare, affirm, protest, or vow. It implies conviction of truth and willingness to stand by one's convictions because of evidence or experience and in the fact of denial or doubt. Each competency can be further delineated.

Participation implies serving in the capacity of encouraging members of society to adapt by acting as an innovator or early adapter of new behavioral patterns. An important goal of consumer education is to encourage clients to develop the prime competency: Influencing. Again, there are levels within the competency. The first, Informal Influencing, is usually practiced vocally by an individual among friends, relatives, and acquaintances in the form of recommendations or complaints. The second level, Formal Influencing, is usually practiced individually by expressing an advocacy position of power. The third level, Active Influencing, demands social involvement through active personal participation in an organized effort to influence public policy decisions. (Figure 4)<sup>1</sup>

Clients of consumer education are individuals with differing needs and capacities, and come into our programs at different levels of consumer competency. Not only must we attempt to meet the diversified needs of these individuals, but we must also introduce clients to a variety of consumer arenas where their acquired competencies will be applied.

#### Consumer Arenas

The proposed model includes four consumer arenas where consumer competencies can be applied. The Marketplace is the arena where products and services are selected and purchased. In the Recourse arena attempts are made to seek redress or restitution when dissatisfaction is experienced. In the arena of Consumer Protection, product standards, consumer laws and regulations are invoked in attempts to protect economic assets and avoid dissatisfaction and physical harm. In the Public Policy arena attempts are made to bring the consumer viewpoint into the public policy decision-making process. (Figure 5 and 6)<sup>1</sup>

The proposed model is now complete. It does not include specific topics or issues to be included in a consumer education class. Nor has this presentation included specific examples to illustrate influences of impinging factors on consumer competencies or application of specific competencies in the consumer arenas. Time was a major limiting factor. However, the purpose of the model is to generate discussion and ideas for implementation and research without the strictures of specific examples.

Consumer education is many faceted. What should be taught can only be determined by the needs and capabilities of the clients to be served.

FOOTNOTE

<sup>1</sup>The figures are not included in this paper because of space limitations. They are available from the author: Virginia H. Dickinson, School of Home Economics, Oregon State University, Corvallis, Oregon 97331.

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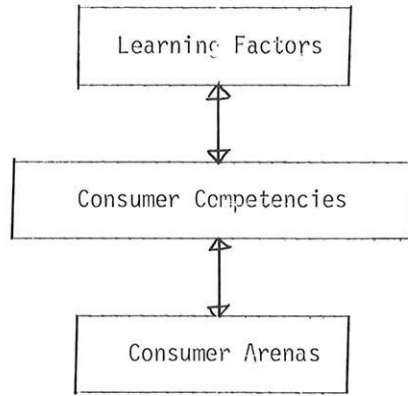


Figure 1: Basic Model of Consumer Education

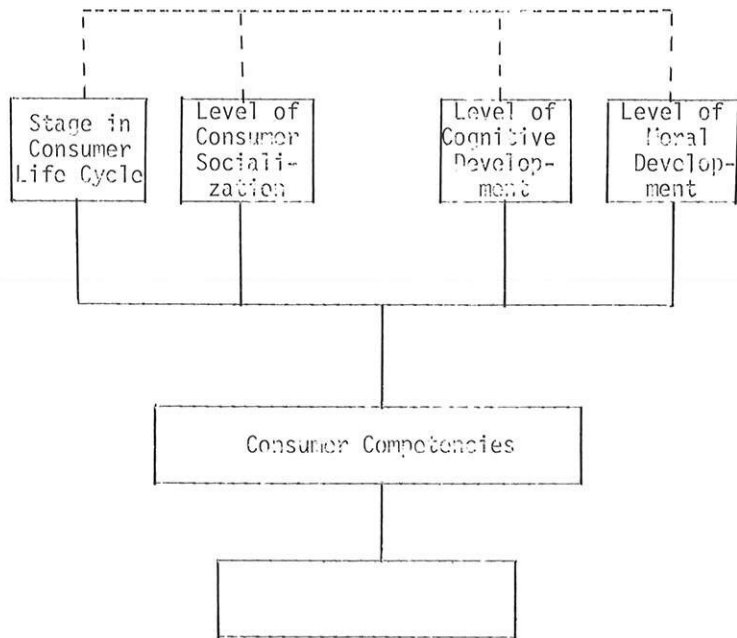


Figure 2: Learning Factors