

ACI

Advancing the Consumer Interest

GUIDE FOR SUBMISSION OF MANUSCRIPTS

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1. The material in the manuscript, so far as the author knows, will not infringe upon any statutory copyright.

2. The paper will not be submitted elsewhere while under *ACI* review. (This review will normally take from 6 to 12 weeks for refereed papers.)

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1. Submit four copies on 8-1/2 x 11 inch paper with 1-1/4 inch margins. Double space throughout, including footnotes and quoted matter.

2. For refereed articles, the manuscript should include on a separate title page, the authors title and affiliation, along with the title of the paper and any acknowledgments. This page will be removed from the manuscript before review to ensure anonymity.

3. Manuscripts submitted for publication should include a headnote not exceeding 75 words. This headnote is for the purpose of review only. If the paper is published in *ACI* the headnote will be shortened to approximately one sentence.

4. The style manual for *ACI* will be *APA* (American Psychological Association). Variations will be accepted, however, the copy editing is simplified if the recommend style is used.

5. Each table, graph, figure, or chart should be placed on a separate page and included at the end of the manuscript. Omit all vertical lines. Use letters for footnotes to tables, and asterisks for statistical significance.

6. The typical article is about 1500-2500 words. Longer manuscripts may

be considered for review, however, the author(s) may be requested to shorten the paper upon acceptance and before publication. Longer versions of papers will be published only under exceptional circumstances.

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The processing fee for submissions to the Refereed section of *ACI* is \$10. This covers postage, copying and other handling costs associated with the review process.

OTHER INFORMATION

1. The *Advancing the Consumer Interest* Editorial Policy Statement is available from the *ACI* editor.

2. Manuscripts submitted to *ACI* for the Refereed section are blind peer reviewed by the editorial review board and guest reviewers selected by the Editor.

3. For accepted manuscripts, whenever possible, authors will be requested to submit a copy of their paper on computer discs, using a commonly accepted word processing program. This will expedite editing and printing.

4. Galley proofs will not be sent to the author(s) for final review before publishing. All final proofing of manuscripts will be done by copy editors under the Editor's supervision.

5. Requests for reprints should be sent directly to the authors.

6. Acceptance of a manuscript for *ACI* publication gives ACCI the right to publish and copyright the material. Re-publication elsewhere is contingent upon written approval from the Executive Director of the American Council on Consumer Interest.

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EDITOR'S COMMENTARY

While preparing the second issue of *ACI*, I wrote several drafts of Editor's Comments but found each one totally uninspiring. I was so desperate that I even considered turning this space over to the American Tobacco Institute so it could argue that cigarettes do not pose any health risk. But then I received a thought-provoking letter from an ACCI member, Kay Levine. Kay had thoroughly read the first issue and had some critical remarks about its content. After getting over my hurt feelings and after wondering how this young upstart had the nerve to be critical of all my hard work, creativity, and editorial genius, I realized her letter had many thoughts that might be representative of other *ACI* readers. I also decided to initiate a new section in *ACI* called Readers' Comments with Kay's correspondence as the first letter to appear. Since some of my comments are based on Ms. Levine's letter, I invite you to read it before continuing with my commentary.

One of the most important comments made by Kay Levine also concerns me greatly—"...you (the editor) need to make a firmer decision about whom the publication is intended to please." Ms. Levine feels that the contents of *ACI* reflect more the interests of the academic researchers than those of consumer practitioners. If this is true, it is primarily because most of the unsolicited material is from professionals in higher education including those in cooperative extension. The associate editors and I contacted numerous people outside of academia to request material for *ACI*. We were usually turned down or given promises that were seldom fulfilled. Since we do not pay authors, most of our manuscripts come from people who have an incentive to write in



terms of their career advancement.

I do not wish to imply by my comments that the published articles have been disappointing. I am only suggesting that *ACI* needs more variety in its submission. As editor, I would be particularly pleased to see manuscripts about consumer education programs, human services programs in the consumer area, analyses of consumer policy, business efforts to help consumers, applications of consumer research, and other articles of interest to practitioners in consumer affairs.

I often argue with my economist colleagues that altruism does not exist, but I would gladly be proven wrong. This would require that more papers be submitted to *ACI* that are not primarily intended to be vita enhancing. To you consumer educators, journalists, policy makers, etc., share your experiences and ideas with the *ACI* audience. You will get to see your name in print and receive extra copies of *ACI* to send to your mother. But most of all, you will be contributing to the advancement of the consumer affairs profession.

Along with Kay Levine, many other readers also expressed an appreciation for *ACI*'s format, layout and artwork. I wish that I could take responsibility for the attractiveness of *ACI*, however, I must give credit to Timothy Sheppard for his work as design consultant. The readers should be thankful that Timothy overruled almost every design suggestion I had. His creative ideas made *ACI* look professional and attractive.

Note that some of the Departments in *ACI* have changed since the first issue. It was the intent of the planning committee for *ACI* to have this section flexible. This issue has a

section on consumer reporting and a section that describes consumer advocacy organizations. This latter department will be repeated if *ACI* readers make a case to report on other worthy consumer organizations. The Reader's Commentary will also be continued as long as well-written and thought-provoking letters are submitted to the editor.

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In 1987, during the process of exploring the feasibility of launching *ACI*, I discovered a 1969 letter from Colston Warne, the consumer activist and long-time president of Consumers Union and the person for whom the prestigious ACCI award is named. It seemed that in 1969, while I was in graduate school, I had written a letter to Consumers Union suggesting among other things that CU create a new magazine to address consumer issues and education. I received a personal letter from Colston, which included the statement, "I like your idea of having CU develop a journal dealing with consumer issues." CU did not develop that journal (although many consumer issues are discussed in *Consumer Reports*) but ACCI has. I hope that *ACI* is a journal that Colston Warne would regard as filling an important need among consumer-oriented publications.

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John R. Burton, Editor *ACI*

READER'S COMMENTARY

To the Editor: I write an action line column for the *Anchorage Daily News*. I received a copy of the first issue of *ACI*. Let me say first of all I was delighted at the introduction of a publication that might become an important forum for consumer professionals. One of the studies—the one on salad bars—has already inspired a column for my paper.*

Because I have such hope for *ACI*, I want to share with you some of my concerns about it. I hope you'll accept my criticisms in the spirit in which they're intended. Let me preface them by saying I appreciate and sympathize with the difficulties of publishing a first issue.

I was favorably impressed with the publication's clean format, uncrowded layout and use of artwork. I like the blue-gray rules and pullout quotes. And I appreciate the variety of subject's you've included. *ACI* clearly is going to be a useful source of information and ideas for me.

First and arguably most important, I think you need to make a firmer decision about whom the publication is intended to please. I hope you'll choose the readers. If you do, I think you'll have to scrap the scholarly papers and use them instead as the basis for articles. I understand from ACCI Executive Director that you're using the refereed papers because otherwise the authors don't get needed credit for the work. Who cares?

As a reader, I expect to get interesting, well-researched, objective and well-written articles. To be perfectly blunt, I see no reason to wade through turgid scholarly work so that some guy with initials behind his name can get brownie points. Secondly, try to do something about the writing. It's dreadful, for the most part. I couldn't take time to mark up the entire issue, but I do hope I'll never see "opted into" again. And it's "more than a year," not "over a year." "Over" means taller.

In addition, you've got to get some people into your stories. Tell the stories through the people who are affected by the events you're describing. Real people, not inventing people.

I found a problem with some of the pieces that were not scholarly papers. They weren't objective. You won't have any credibility if you let people like Frank Young say "...the agency has expanded an already active program to contain this growing problem." He makes some good points, but this kind of thing should be marked as opinion or be written by someone else in a balanced fashion. Please don't let yourself become a mouthpiece for anyone, regardless of how worthy and wonderful.

And as much as I love Nolo Press, I think you should charge them for saying "...this is the book that can give you that critical edge." Be honest and call it advertising. I write complimentary reviews on their books all the time—no doubt about it, the books are top-notch—but Horowitz went too far.

Ge, it must be a shock getting such a blunt letter from a perfect stranger. Once you recover, I hope you understand and agree with what I'm saying. I'd be happy to discuss this with you anytime. Again, congratulations for getting *ACI* off the ground and my best wishes for the future.

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Kay Monroe Levine, Consumer Reporter, Anchorage Daily News

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*I have read the salad bar piece by Ms. Levine and found it very well done and an excellent use of an *ACI* article for informing the general public of a consumer issue. Ed.

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EDITORIAL POLICY STATEMENT

Advancing the Consumer Interest is designed to appeal to professionals working in the consumer field. This includes teachers in higher and secondary education, researchers, extension specialists, consumer affairs professionals in business and government, students in consumer science, and other practitioners in consumer affairs.

Manuscripts may address significant trends in consumer affairs and education, innovative consumer education programs in the private and public sector, reasoned essays on consumer policy, and applications of consumer research, theories, models, and concepts.

Suggested content may include but not necessarily be limited to:

1. Position papers on important issues in consumer affairs and education.
2. Description and analyses of exemplary education, extension, community, and other consumer programs.
3. Research reported at a level of technical sophistication applicable to practitioners as well as researchers. The emphasis of this research should be on its implications and applications for consumer education, policy, etc. The primary question of the reported research should be, "What does this research mean for practitioners?"
4. Application of theories, models, concepts, and/or research findings to problem solutions for target audiences.
5. Articles summarizing research in a given area and expanding on its implications for the target audience.

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CHILDREN: SPECIAL CONSUMERS BUT NOT SPECIAL TREATMENT

While children may be considered a precious resource to be given special consideration, the laws designed to protect them are subject to the same delay-ridden bureaucratic system as any other piece of legislation.

Technological innovation combined with modern marketing techniques have given consumers of all ages a plethora of goods and services from which to choose. In the process, faulty designs, careless manufacturing processes, and/or over-zealous marketing have resulted in unsafe products and marketplace deceptions. Typically, when these flaws involve products or services for children, the public ire is raised. Children's vulnerability stems from their inexperience with the world: They have not developed the skills to recognize potential product hazards. Nor are parents always able to assess or control the chemical composition of substances in the child's environment.

When it comes to protecting children as consumers of goods and services, proposed legislation and regulations are subject to the same political pressures and debate as any other proposal. Industry can often have a myopic view of consumer regulations (Leone 1986), seeing them only as an infringement on their right to do busi-

ness. Policymakers can be swayed by industry laissez-faire rhetoric, and consequently, regulations may do more to appease the affected industry than to protect consumers, even when these consumers are children.

This paper reviews several child-related consumer protection issues subject to industry short-sightedness and regulatory manipulation. In addition, the costs of implementation of a proposal have often outweighed the potential benefits to the children/consumers. While problem recognition and identification of appropriate solutions has been easier in some cases than in others, the path to achieving the desired outcome has never been clear-cut and delays have resulted in further harm to some children.

Poison Prevention: Caps for Kids. In 1967, 325 children under age five died from accidental poisonings (USCPSC 1975). Since the enactment of the Poison Prevention Packaging Act of 1970 (PPPA), the number of children who die each year from accidental poisoning has been dramatically reduced. In fact, in 1984 only 31 children died from household-substance poisoning, and in 1985, no children died from aspirin overdoses (Rados 1988).

The problem was easily identified: Children were being poisoned when they ingested household chemicals or drugs. Because children like to explore and manipulate materials, they often investigate cabinets containing cleaning products and medicines. Children ingest toxic substances out of curiosi-

ty; bad taste is not much of a deterrent.

By the mid-1950s, parents and doctors alike were concerned with the escalating number of children poisoned by toxic chemicals. The U.S. Public Health Service instituted a poison prevention education program and, in 1961, Congress declared the third week of March each year as National Poison Prevention Week (Hecht 1979). Unfortunately, these education/awareness efforts did not produce the desired results.

The Federal Hazardous Substances Act (HSA) of 1960 was the first regulatory step, requiring manufacturers of potentially hazardous household substances to label the containers with a warning about the dangers (Bollier & Claybrook 1986). These labels, however, did not substantially reduce the number of children being poisoned by household chemicals, and they did nothing to eliminate accidental drug overdoses.

Since neither education nor labels were successful, a new strategy was needed. The Food and Drug Adminis-

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tration (FDA) convinced the aspirin industry to voluntarily reduce the number of aspirin in each bottle to lessen the chance of fatality. The FDA also initiated a feasibility study to determine whether effective child-resistant packaging could be developed for medicine bottles. The result was an 82% reduction in toxic ingestion by children (USCPSC 1986a).

With these results, the FDA helped introduce the Poison Prevention Packaging Act of 1970 (Public Law 91-601, 84 Stat. 1670). While the bill received overwhelming support, especially from children's rights groups, parents' associations, and the American Academy of Pediatrics, opposition still existed. Elderly and handicapped persons were concerned that they would be unable to open child-proof containers. Thus, the bill was amended to allow pharmacists to package medicines in non child-resistant containers upon request, and over-the-counter drug manufacturers to package one size of their product without child-resistant closures as long as the product was labeled as such (USCPSC 1986a).

While the problem was widely recognized, an appropriate solution eluded policymakers for a number of years, leaving children at risk. The FDA had to prove that making containers difficult for children to open was the most feasible solution. The industries involved were reasonably cooperative. The dramatic drop in the number of household chemical and aspirin poisonings demonstrates the effectiveness of this solution.

Paint and Gasoline: The "Lead"ing Culprits. Household chemicals and drugs are not the only products that poison children. Lead is a more elusive lethal agent posing an even greater hazard. The number of children suffering from lead poisoning was unknown for many years, not because the cases were few, but because the symptoms are similar to other illnesses, resulting in misdiagnoses (Lin-Fu 1979). Young children between ages one and six are most vulnerable to lead-poisoning be-

cause they tend to chew on toys, furniture, window sills, and even ingest paint chips from walls, many of which were covered with lead-based paint. Breathing air contaminated by exhaust fumes of automobiles using leaded gasoline also contributes to lead poisoning. Severe lead poisoning can cause convulsive disorders, mental retardation, cerebral palsy, blindness, and behavior disorders. Even mild cases may result in vision problems, restlessness, and shortened attention spans (Lin-Fu 1979).

Policymakers can be swayed by industry laissez-faire rhetoric, and consequently, regulations may do more to appease the affected industry than to protect consumers, even when these consumers are children.

In 1965, the Citizens Committee to End Lead Poisoning began a public education program (Lin-Fu 1979) and worked with the Children's Bureau to establish lead-poisoning screening programs. Thirty-to-forty percent of inner-city children were found to have lead levels high enough to cause mental retardation (Bollier & Claybrook 1986).

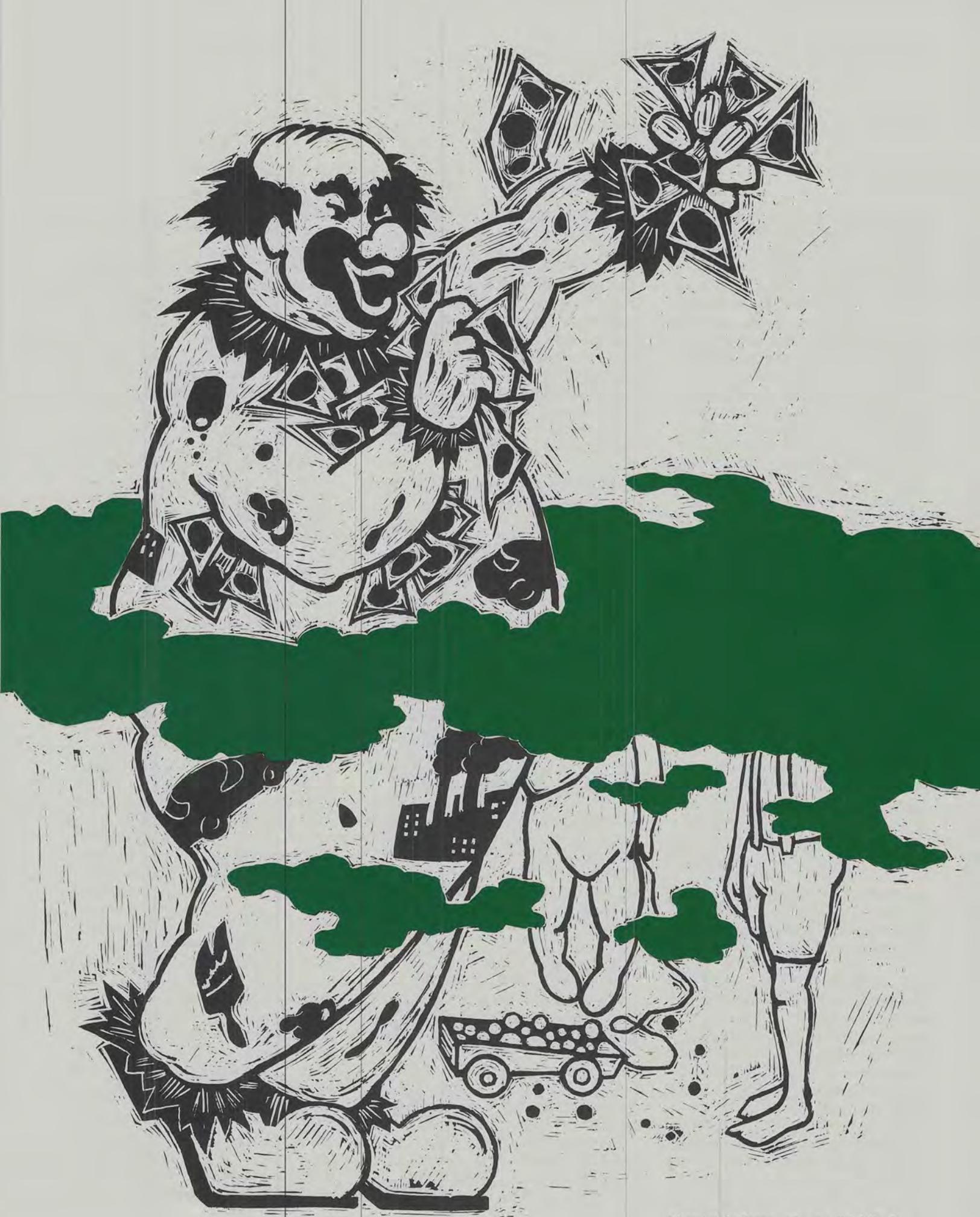
The Lead-Based Paint Poisoning Prevention Act of 1971, and the 1973 amendments, were the legislative responses to the problem. The act prohibits the use of lead-based paint in new residential buildings, and provides grants for the detection and removal of lead-based paint from older buildings (P.L. 91-695, 84 Stat. 2078). It also bans the use of lead-based paint on toys, furniture, and food utensils (P.L. 93-151, 87 Stat. 565). In addition to these legislative efforts, the FDA was successful in convincing food manufacturers to voluntarily use lead-free containers whenever possible, especially with food for infants and children. This has resulted in an

estimated 40% reduction of lead in food ("Lead in Gasoline" 1982).

Lead-based paint, however, is not the only culprit: The airborne form of lead poses an even greater hazard to children than to adults. Airborne lead is more concentrated at the height at which children breathe due to its weight, children breathe in larger amounts of lead per body volume, and the lead is retained to a greater extent in their softer tissues (Lin-Fu 1979).

As 80% of lead in the air can be attributed to emissions from motor vehicles (Bollier & Claybrook 1986), the Clean Air Act of 1970 authorized the Environmental Protection Agency (EPA) to require the use of unleaded gasoline in passenger vehicles and catalytic converters to control the amount of lead emitted through the exhaust system. The impetus came more from a concern to clean up the environment in general than to reduce the potential for lead poisoning in children in particular (Bollier & Claybrook 1986).

Full implementation of the reduction was postponed for several years due to industry objections. The petroleum refiners were able to successfully raise doubts about the increased costs of gasoline and possible job layoffs if the lead phase-down was to proceed on schedule (Leone 1986). In 1981, the industry took advantage of the Reagan administration's regulatory-relief stance and lobbied for more relaxed rules. In 1982, in a reversal of its previously pro-industry, antiregulatory bias, the EPA initiated even tougher limits on lead additives in gasoline (Pinkert 1985), which have resulted in a reduction of airborne-lead concentrations by more than one-half in a number of urban areas. The petroleum-refining industry was curiously unperturbed by the turn of events. Conditions in the industry had changed so that in the early 1980s there was an overabundant supply of gasoline (Leone 1986). A relaxation of the standards would have resulted in more gasoline in an already saturated market, lowering prices and reducing profits. Tighter standards would re-



sult in a smaller supply, higher prices, and greater profits, and incidentally, a cleaner environment for children and adults. In January 1987, the allowable level of lead in gasoline was reduced again (Weisskopf 1987).

The cause-effect relationship between lead poisoning due to lead-based paint is more apparent than that of airborne lead due to auto emissions. As a result, paint manufacturers were cooperative and found alternative formulations for their paint products. Petroleum-refiners were able to point to lowered industry profits and the potential for lost jobs to delay full implementation of the standards. Only when the economic situation of the industry changed to favor the stricter limitations on lead additives did the industry cease opposition.

Infant Formula: Food for Thought. In the summer of 1979 in Tennessee, a number of infants were diagnosed as suffering from metabolic alkalosis, a chemical imbalance in the blood resulting in muscle weakness, failure to gain weight or grow, convulsions, nausea, and/or diarrhea. The common denominator for all the infants, according to the Center for Disease Control, was two formulas manufactured by Syntex, Inc. (Claybrook 1984).

Investigations revealed that the formulas contained only one-fifth the amount of chloride necessary for proper growth (Claybrook 1984). The deficiency was attributed to the company's decision, two years previously, not to check the formulas' chloride levels, and to reduce the level of sodium by eliminating salt from the formulas ("Infant Formula" 1980). The result of these investigations was an FDA-recall of the formulas.

Congressional and public outrage began to build as the public learned that not only was there no regulatory authority over the nutritional content of infant formulas, but Syntex had not cooperated with the FDA during the recall. Three months after the recall was ordered, both the nutrient-deficient formulas were still being sold in

many stores ("Infant Formula" 1980). Congress reacted quickly, giving the FDA authority to regulate the nutritional content of infant formula and speeding up procedures for product recalls. The Infant Formula Act of 1980 requires that all infant formula be fortified with the 29 essential nutrients recommended by the American Academy of Pediatrics before the product can be labeled as "infant formula." The FDA was to establish quality control procedures to require the testing of all formula before being

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marketed, and after any reformulation, to ensure the proper levels of fortification. All recalls of infant formula must be considered as "life threatening" and completed swiftly and thoroughly (P.L. 96-359, 94 Stat. 1190).

This is where the tale should end, with a happy and relatively quick legislative solution. Unfortunately, the process of approving the regulations for the new law would last 16 months and would result in much less authority for the FDA than had been envisioned by the framers of the Infant Formula Act.

The proposed regulations were sent to the Office of Management and Budget (OMB) three months after the law went into effect. Because the regulations required strict quality control measures for all formula, the manufacturers lobbied the OMB against the regulations claiming that they would be too costly and inefficient (Claybrook 1984). The manufacturers were able to plant enough doubts about the cost to the industry that the OMB delayed approval of the rules despite the potential health risk for infants. The final rules were published 16 months after being proposed with the stringent quality testing proce-

dures eliminated. Manufacturers were to use the system "best suited to their needs" in performing the quality control tests and were *not* required to test the final product for all essential nutrients prior to marketing (Claybrook 1984).

The new regulations did not produce the desired outcome. Two more deficient formulas had to be recalled, one of which was not recalled until two months after the deficiency was detected (Claybrook 1984). Public outcry over the continuing inadequacy of the infant formula regulations spurred Congress to strengthen the Infant Formula Act. Although the opponents to the amendments felt that the proposed regulations would be unnecessarily burdensome and drive up the cost of formula, the amendments were quickly approved. Now quality control testing is required for each batch of formula to ensure all essential nutrients are present, plus periodic testing throughout the shelf life, and retention of production records for one year after the formula's expiration date (Cohn 1986).

The Infant Formula Act of 1980 had the potential to provide much needed protection for a special group of consumers—requiring quality control testing, stipulations regarding recalls, and nutrient requirements. The delays in approving the regulations and the form of those original regulations, prior to the 1986 amendments, demonstrates the power an industry can assert. The sole reason that the 1982 rules were watered-down was because the industry convinced the OMB that any other quality control and testing requirements would be too costly (Claybrook 1984) even when children's lives were at risk.

Toys: A Child's Best Playmates? For children, playing with toys is work. The daily tasks in which children engage while using toys are just as serious to them as those performed by a surgeon. Toy safety, therefore, is of the utmost importance.

New technology and an emphasis on sophistication has led to a prolifer-

ation of toys imbued with mechanical, structural, thermal, and/or chemical hazards. Public outrage at the number of toy-related injuries has led to the enactment of a series of laws to make toys safer for children. The story begins with the Child Protection Act of 1966.

Toys were overlooked as "hazardous substances" when the Federal Hazardous Substances Act (HSA) was enacted in 1960. The Child Protection Act of 1966 amended the HSA to extend authority over chemical substances used in toys and other children's products. Toys found to be chemically hazardous were taken off the market (Rothschild & Carroll 1977).

Toys can present more than just chemical hazards for children. The most prevalent types of toy-related injuries are ingestion and inhalation of small pieces, cuts from sharp edges, punctures from points, and eye injuries from projectiles (FDA 1971-72). The Child Protection and Toy Safety Act of 1969 again amended the HSA to mandate the development of safety standards for mechanical, electrical, and thermal elements in toys and other child-related products. Furthermore, toy packaging must be labeled to specify the appropriate ages for use.

Toy manufacturers have generally been proponents of toy safety legislation because safe toys are good business. The industry's trade organization, Toy Manufacturers of America, Inc., has worked in conjunction with the Consumer Product Safety Commission (CPSC) to develop many of the safety standards (USCPSC 1985). But the cooperation has not been unilateral. The American Academy of Pediatrics tried for years to persuade toy manufacturers to use radio-opaque plastics that would be visible on an X-ray. Children were still swallowing or inhaling toy parts which, if plastic, could not be detected through an X-ray. In 1979, ten children were injured by the plastic, spring-propelled Battlestar Gallactica torpedo. One child died when it became lodged in

his lung and was not detected on an X-ray. Since then, radio-opaque plastics have been used extensively in toys. The addition of barium to the polymer makes the plastic not only visible on an X-ray but less expensive to produce because it dyes more easily (Bollier & Claybrook 1986) resulting in lower production costs.

The Toy Safety Act of 1984 allows consumers the opportunity to obtain restitution for unsafe toys. Notice of unsafe and recalled toys and other children's products must be posted in

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public places, typically at the stores where the products are sold, making it easier for parents to identify those products that might be harmful. The manufacturers are obligated to repair, replace, or give a refund on any toy or children's product found to be defective (P.L. 98-491, 98 Stat. 2269).

Since the advent of these laws, toy safety has improved and the number of injuries to children from toys has been reduced substantially. The number of toy-related injuries fell from 700,000 in 1970 to 90,000 in 1985 (USCPSC 1986b). Yet many consumers believe that the regulations are too limited. The actual number of toy-related injuries may be four times higher than CPSC's figures because many injuries are never reported (Salkind & Ambron 1987). While compliance with toy standards is monitored by CPSC, with over 150,000 toy products on the market produced by more than 1,500 manufacturers, CPSC investigations occur typically when a complaint is lodged.

Toys are safer now than 25 years ago. But 20 years and four major laws later, toy safety is still an issue. Poorly made and age-inappropriate toys still cause injury. The toy industry has

been reasonably cooperative over the years, but the innate safety of their plastic products was improved only when faced with a child's death and the improvement was discovered to lower manufacturing costs. The laws could be tougher, and CPSC oversight of compliance should be more extensive. Harmful toys still find their way into toy stores and into the hands of children.

SUMMARY

Should children receive special treatment from policy makers? Should new regulations aimed at resolving an identified hazard to children receive swifter action? Should regulation aimed at protecting children be subject to the same cost/benefit analysis as other regulations? If we accept the premise that children are more vulnerable and therefore deserving of greater protection, then the answer to the first two questions is yes, and to the third, no.

Thousands of children suffered injuries before any steps were taken to reduce the sources of the problems. When neither policy makers nor other concerned groups can identify a method of reducing a known danger, children continue as victims. Preventing poisoning from medicines and household chemicals was a recognized risk but the solution eluded policy makers for years. Lead poisoning poses a special risk because it is difficult to diagnose. Some sources of lead poisoning, such as paint, while not eliminated, have been substantially reduced. State and federal grants have not been adequate, however, to remove paint from the hundreds of older, low-rent apartment buildings across the U.S. Airborne lead has been reduced, but now we are finding high levels of lead in the soil, contaminated by airborne lead. Drinking water can be contaminated from lead pipes and lead solder. The sources of lead poisoning have been greatly reduced, but certainly have not been eliminated.

A key element in achieving protection for children has been industry co-

operation. Industry can be shortsighted concerning the outcome of certain regulations. Arguments that regulations would be inefficient and would cost workers' jobs have always been persuasive enough to cause regulators to reanalyze the situation (Leone 1986). The Reagan administration's antiregulatory bias has fostered this outlook. Until recently, health-gain arguments would successfully counter an industry's economic ones. Both the infant formula manufacturers and the petroleum refiners used economics and efficiency questions to delay implementation of the respective rules. When EPA discovered that the stricter lead standards would not spell financial disaster to the industry, but just the opposite, the new standards were implemented. The infant formula manufacturers may have misjudged policy makers' and the public's interest in legislation enacted in response to a crisis. Unfortunately for the industry, the crisis did not go away. The response to the regulatory delays was a set of rules stricter than had originally been proposed. That we have a system that can tolerate delays in regulating the nutrient content of such a vital product as infant formula is the price we all pay for democracy.

Removing lead from paint and food containers was a relatively easy solution as was the concept of toy safety, arrived at with industry cooperation. The industries did not incur great costs, in fact, lead-free containers and barium-containing plastics were often less expensive to produce. Removing lead additives from gasoline not only resulted in cleaner air, but reduced the risk of lead poisoning for children. The petroleum-refining industry was not particularly cooperative until pollution control proved to be a profitable venture. The toy industry, while appearing to be cooperative, still manages to produce toys that are recalled because of safety hazards.

Product safety for children has received special attention from policy makers. Delaying tactics and intense lobbying efforts on the part of industry have had detrimental results for

children's health. Perhaps it is unrealistic to believe that child-related consumer protection legislation should receive swifter, less controversial enactment than legislation aimed at the general population. But children do merit special consideration as consumers. ACI

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MONEY IN MARRIAGE

Similarities and differences in money management of single-earner and dual-earner couples are explored.

How money is handled by a married couple is a symbol of how spouses feel about money, whether it is “yours, mine, or ours” (Bird, 1979). Such feelings influence decisions and spousal interaction involving money. Blumstein and Schwartz (1983) write that “...money establishes the balance of power in relationships.” For example, earned income can give a spouse access to money and to financial decision making.

Money Management and Income Earners.

The change from single-earner to a dual-earner married couple has been one of the most important changes in American life in the past two decades. How similar or different these couples are in their money management has been studied very little. Pahl (1980) and Kitt, Greninger, and Hampton (1984) found that joint financial decision making was more prevalent among dual-earner than single-earner couples, but both studies have limitations. Thus, the purpose of this research is to explore similarities and differences in money management of single-earner and dual-earner couples. Such knowledge is valuable to financial counselors and educators. Simply assuming that all couples han-

dle money in the same way can lead to misunderstandings with, and even alienation of, clients.

Money Management Through the Family Life Cycle. Stampfl (1979) suggests that consumer elements, including financial-related aspects, change throughout the family life cycle. One of the first tasks a newlywed couple faces is who will pay household bills, handle household purchases, and keep records: (1) husband only, (2) wife only, or (3) both. Responsibility can vary by money management task or can be the same for all tasks. As the couple moves through the family life cycle, responsibility is likely to change (Ferber & Lee, 1974; Fitzsimmons, 1987; Rosen & Granbois, 1983). Because of this change, family life cycle stage is controlled in this study.

Theoretical Considerations and Hypothesized Relationships. Two theoretical perspectives offer useful insight to understanding couple money management. One is an equity/equality orientation (Schaninger & Buss, 1986) in which the married couple views the relationship as an egalitarian one. Roles are shared, if not equally, then at least equitably. The other perspective is one based on division of labor according to efficiency and is best described as utility theory (Becker, 1981). Roles are not shared, but the individual more efficient in a task specializes in that task.

In an egalitarian marriage, "both partners have equal claims to the breadwinning role and equal responsibilities for the care of home and children, including the obligation to contribute equally or equitably to family expenses" (Smith & Reid, 1986). Due to abilities, attitudes, and expectations resulting from earlier socialization and market and societal constraints, true egalitarianism is difficult to achieve. However, dual-earner couples are more likely than single-earner couples to have an equity/equality orientation and to be working toward an egalitarian marriage.

From a utility theory perspective,

VARIABLES MEASURING RESPONSIBILITY FOR MONEY MANAGEMENT TASKS

Who looks after having cash on hand
 Who decides how much cash to get
 Who usually looks after paying bills
 Who decides on purchase of major appliances
 Who handles money for food and beverages
 Who handles money for housing
 Who handles money for utilities
 Who handles money for house furnishings
 Who handles money for clothes
 Who handles money for transportation
 Who handles money for recreation
 Who handles money for gifts and contributions
 Who handles money for insurance
 Who handles money for miscellaneous expenses
 Who handles surplus money
 Who keeps track of expenditures

Table 1

single-earner couples are more likely to specialize in work and family roles, for specialization maximizes use of resources. The individual more efficient in the labor force is the income earner and the one more efficient in household tasks specializes in the family role. Specialization in money management frequently occurs with the spouse better at managing money or with more time available, serving as the family financial officer. Time is freed for the other individual to pursue activities yielding greater family utility.

Thus, it is hypothesized that single-earner couples will be more likely than dual-earner couples to manage money individually. Dual-earner couples will be more likely to manage money jointly. Both hypothesized relationships are consistent with not only equity/equality and utility theories, but also results of the Pahl (1980) and Kitt, Greninger, and Hampton (1984) studies.

METHODOLOGY

Data for this pilot study are from "A Panel Study on Consumer Decisions and Asset Management" (Survey Research Laboratory, n.d.), the same data set used by Ferber and Lee (1974) and Fitzsimmons (1987). It consists of 18 waves of data collected periodically from summer, 1968, through spring, 1981. Data from the last wave are used in this study. The respondent was whichever spouse was available for the telephone interview. Because respondents were interviewed period-

ically over a long period, it is likely that this was the same person in each wave and the one most knowledgeable about household finances. The initial panel consisted of 311 couples, living in Peoria or Decatur, Illinois, and married in these cities during summer, 1968. Husbands were 30 years old or younger. Panel size in 1981 was 209¹, including intact families, divorced families, and blended families. Of these, 161 couples with spouse present and husband employed were included in this study.

Forty-three percent of the couples were categorized as single-earner; 57% were dual-earner couples. Mean age for husbands was 41 years, 39 years for wives². Number of children living at home ranged from 0 to 4 with a mean of 1.9. Median income was in the range, \$28,000-\$31,999. Husbands were employed mostly in crafts (40.4%) or professional, technical, or managerial occupations (36.6%). When employed, wives were mostly in clerical or sales occupations. There were no significant differences between the couple groups for these demographic characteristics.

Table 1 lists the variables measuring responsibility for money management tasks. The wide variety of measures, rather than one or two global measures, gives a more complete assessment of the couples' money management.

There were two types of couples: (1) single-earner with husband as sole earner and (2) dual-earner with both husband and wife employed. Relationships between couple type and money management variables were examined using chi-square analysis. If the chi-square test produced a non-significant result, the two types of couples were judged to be similar, rather than different, for that money management variable.

Similarities in Financial Management. Both types of couples were similar for 11 of the 16 variables. More couples indicated joint responsibility rather than responsibility of one spouse for: (1) who looks after having cash on hand, (2) who decides how much cash to get, (3) who decides on purchase of major appliances, (4) who handles money for house furnishings, (5) who handles money for recreation, and (6) who handles money for gifts and contributions. When an individual was respon-

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sible, the wife was more likely to be that individual for: (1) who looks after having cash on hand, (2) who decides how much cash to get, (3) who handles money for house furnishings, and (4) who handles money for gifts and contributions, regardless of whether the couple was single-earner or dual-earner. For who handles money for recreation, the wife was more likely than the husband to be the responsible individual in single-earner couples and the husband more likely in dual-earner couples. In both types of couples, the husband was more likely than the wife to be responsible for who decides on purchase of major appliances.

For several other financial tasks, responsibility was mostly the wife's rather than the husband's or joint. These were: (1) who usually looks after paying the bills, (2) who handles money for food and beverages, (3) who handles money for housing, (4) who handles money for utilities, and (5) who keeps track of expenditures.

Differences in Financial Management. As indicated in Table 2, differences were found in 5 variables ($p \leq .05$). In both types of couples, joint responsibility was the largest category for who decides disposition of surplus money and who handles money for transportation and miscellaneous expenses. Joint responsibility for insurance expenditures was more prevalent in dual-earner couples, while wife responsibility was more prevalent in single-earner couples. In both types of couples, the wife had the main responsibility for clothes expenditures but more so in single-earner couples. However, there were two empty cells in this chi-square analysis, and the result should not be considered significant.

Because several variables had small cell sizes, these findings should be interpreted cautiously³. They are useful, though, in helping to identify what differences exist in money management of single-earner and dual-earner couples.

DISCUSSION

The hypothesized relationship that single-earner and dual-earner couples would manage money differently was only partially supported; there were significant differences for only 4 of the 16 variables. Dual-earner couples were more likely to manage money jointly rather than individually.

DIFFERENCES BETWEEN SINGLE-EARNER AND DUAL-EARNER FAMILIES IN MONEY MANAGEMENT

Item	% Single-earner (N=69)	% Dual-earner (N=92)	χ^2
Who handles money for clothes?			7.15*
Husband.....	0.0	0.0	
Wife.....	73.9	53.3	
Joint.....	26.1	46.7	
Who handles money for transportation?			10.44
Husband.....	24.6	26.1	
Wife.....	27.5	8.7	
Joint.....	47.8	65.2	
Who handles money for insurance?			6.85*
Husband.....	24.6	29.3	
Wife.....	40.6	21.7	
Joint.....	34.8	48.9	
Who handles money for miscellaneous expenses?			9.91*
Husband.....	2.9	2.2	
Wife.....	31.9	12.0	
Joint.....	65.2	85.9	
Who handles surplus money?			8.15*
Husband.....	13.0	2.2	
Wife.....	10.1	7.6	
Joint.....	73.9	88.0	

* $p \leq .05$

Table 2

Single-earner couples were more likely to handle money jointly, too, which opposes the hypothesized relationship based on utility theory. Further comparison of the couples reveals that a greater percentage of dual-earner, than single-earner, couples managed money jointly. Thus, both types of couples had an equity/equality approach to money management, but dual-earner couples were slightly more likely to be egalitarian than single-earner couples.

When there were significant differences between the two types of couples, the way in which the couples specialized varied. In single-earner couples a greater percentage had the wife as the responsible person, rather than the husband, except for the variable, who handles surplus money. Here, the husband was more likely to be responsible than the wife. In dual-earner couples different patterns were evident. A greater percentage had the husband responsible for who handles money for transportation and for insurance. The wife responsible was the pattern for the other variables. For some reason, it is probably more practical for one spouse to specialize in a certain money management task. Single-earner and dual-earner couples do not specialize in the same way.

CONCLUSIONS AND IMPLICATIONS

Although single-earner and dual-earner couples are more alike than different when it comes to money management, some differences are evident. These findings are especially useful to financial counselors and others educating families. In general, the same educational program and counseling format can be used for both single-earner and dual-earner couples. However, to meet couples' needs, counselors and educators need to be cognizant of possible differences in money management role responsibilities.

One question for further study is why couples allocate money management responsibilities the way they do. The theoretical perspectives used in this study suggest that couples either manage money together because they are working toward an egalitarian relationship or specialize in money management to maximize resource use. It is possible that even couples who specialize have an egalitarian marriage and make major financial decisions together, then specialize in tasks to carry out the decisions so that more time is available for other activities. Knowing why couples manage money as they do would help to understand role assignment as well as the dynamics of couple money management.

Because couples change their money management throughout the family life cycle, it is important that financial counselors and educators consider this when working with couples in various family life cycle stages. Also, similarities and/or differences might exist in dual-earner and single-earner couples in other family life cycle stages that differ from those in the stage studied here.

Another consideration is the distinction between dual-earner and dual-career couples and the intervening effect of income. Because income is a source of power and people in careers frequently earn more than non-career people, differences in money management roles are expected for dual-earner and dual-career couples. Further, differences are expected in couples with one earner and one career person. Whether the wife is the earner or the career person and whether she earns more than her husband is likely to make a difference as well, because traditional role attitudes can influence money management behavior. An adequate analysis of all these differences requires a much larger sample than the one used in this study.

Even though this study focused only on what roles married couples had in money management, the findings and theoretical perspectives are useful in helping married couples assign money management responsibilities. First, joint money management of the couples studied is an indication that both husbands and wives are involved in money management. This is consistent with increased involvement of husbands and wives in both work and family roles (Pleck, 1985). Second, the theoretical perspectives can help couples to decide how to allocate responsibilities. On the one hand, joint involvement can enhance marriage because it gives the spouses an opportunity to communicate their concerns about finances, hopefully in a constructive manner. Also, both spouses are knowledgeable of finances in the event that one of them must manage alone. On the other hand, specialization is efficient, especially with the many work and family demands that couples have today. For couples who have relationship problems, specialization also helps to avoid marital conflict over money and decreases the probability of divorce (Blood, 1960). A positive approach would be to teach

couples how to deal with conflict over money. Berg (1988) suggests several useful strategies to diminish conflict and to help couples plan finances. Thus, the optimum solution might be some of both: sharing responsibility for some money management tasks and delegating some tasks to each spouse. **ACI**

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Footnotes

¹ As with any longitudinal study, some families dropped out over time, but the remaining panel members continue to represent the mix of demographic characteristics present in the original random sample.

² Murphy and Staples (1979) indicate that this is the middle-aged life cycle stage.

³ This author tends to be cautious in interpreting results. Only one variable, who decides on purchase of major appliances, had more than 20% of the cells with an expected frequency of less than five. The other variables had cells of appropriate, though small, size (Reynolds, 1984).

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INFOMERCIALS AND CABLE NETWORK PROGRAMMING

This study identifies and defines a new form of television advertising and examines how national advertising-supported cable network representatives monitor program-length commercials.

Since the Federal Communications Commission removed prohibitions on the length of broadcast commercials, cable networks have increasingly filled available fringe time with a new type of commercial advertising. "Infomercials"—brokered time programming, program buys, program-length commercials (PLCs), direct response programs (DRs), or sales programs—are 30 to 120-minute sales pitches. Such programming is not clearly represented as advertising and is designed to mimic regular programming. For example, they are usually produced in the format of a general news magazine, news documentary, talk show, or investigative consumer product review program.

Spot advertising breaks within the "program" create the impression of scheduled shows with traditional commercial breaks. Yet the entire program is a concerted sales effort produced and purchased by the advertising sponsor. Except for an agreement not to accept hard liquor or cigarette ads, cable networks subscribe to no trade association's advertising accep-

tance guidelines. Nor do cable industry or regulatory guidelines require that this form of advertising disclose that the program is a sponsor-paid and produced commercial.

Fraser (1986) noted that President Reagan's Federal Trade Commission (FTC) appointees established policy that sent a message to advertisers that the Commission would be less vigorous in its enforcement activities. Infomercials may be evidence of Fraser's observations. In her research on magazine advertising, LaBarbera (1981b) characterized the products most frequently offered for sale in these commercials as the shame of magazine advertising, that is, outrageous remedies or products such as weight-reducing plans, baldness treatments, and wrinkle creams. This type of advertising is also targeted in Food and Drug Administration (FDA) regulations prohibiting health fraud and quackery (Miller 1985).

Because infomercials differ from traditional advertising in length, format and content, they raise new research and policy questions about advertising as a source of deceptive or fraudulent consumer information. In an era of deregulation, industry self-regulation may be one avenue of consumer protection: consumer advocates have urged media organizations—the actual carriers of the information—to accept responsibility for protecting their audiences ("Media Must Screen..." 1985; Hamm 1988; Hayes 1987). In response to the growing use of infomercials on advertising-

supported national cable television networks, this paper examines self-regulation in the cable industry by investigating how network representatives accept and monitor one type of advertising—program-length commercials.

Information Content. Consumer-interest professionals have fought for informative advertising that provides facts consumers can apply in efficient decision making, however, because of time constraints, traditional television advertising has been characterized as "puff and fluff" information compared with print media advertising (Preston 1975; Sepstrup 1985). Since infomercials have at least 30 minute formats, theoretically, they can provide consumers with more information for decision making. For example, two infomercials for SoloFlex, an exercise unit, are potentially useful to consumers. Each 30-minute commercial demonstrates the characteristics and appropriate use of the product and is distributed as a videotape "brochure."

From a consumer-interest perspective, other infomercials are less utili-

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tarian. The basic product categories infomercials cover include areas for potential abuse: personal wealth and financial investment plans, weight loss and weight control plans and products, hair loss remedies, anti-aging/age reversal preparations, success in life goals, health products, and general consumer products. (See Hayes & Rotfeld 1988 for a list of program titles and products of each category). Just the initial economic loss per product purchase, for example, can range from \$29 to \$395.

Infomercials usually contain scientifically unproven claims, satisfied-user opinions, and celebrity endorsements. They also use words and phrases which Grigg (1988) identified with health quackery: "amazing breakthrough," "European secret discovery," "medically approved," "immediate, effortless guaranteed results," and "clinical studies prove."

All of these commercials include sales practices subject to FTC rules, regulations and restrictions. However, in these program formats, the information acquires an aura of objectivity lacking in traditional sales messages. Furthermore, instead of targeting the few, special-interest audiences that this back-of-the-book advertising has traditionally reached in magazines, the basic cable services allow infomercials to reach national audiences and millions of consumers.

Blurring the Information and Entertainment Boundaries. Infomercials blur the distinction between commercial and non-commercial content that media critics and consumer advocates have struggled to maintain (Christians, Rotzoll, & Fackler 1987; Hayes & AlYasiri 1985). Historically, a single advertiser assumed financial responsibility for a program (Cantor 1980). Sponsored programming still exists, but the sponsor of an infomercial may not only finance the program, but also influence the content of the program and control commercial air time. In short, the sponsor is often the guest expert who is interviewed by either the talk show host or a so-called investigative

NATIONAL ADVERTISING-SUPPORTED CABLE NETWORKS CONTACTED

Network	Type	Estimated Home Coverage (In Millions)*
A&E.....	Arts and Entertainment Network	24.0
BET.....	Black Entertainment Network	15.0
CBN.....	Christian Broadcasting Network.....	36.8
CNN.....	Cable News Network.....	40.0
ESPN.....	Entertainment & Sports.....	43.0
FNN.....	Financial News Network.....	26.4
LIFETIME.....	Entertainment Programming.....	33.0
MTV.....	Music Video Television.....	35.8
NASHVILLE NETWORK.....	Country Music & Programming.....	35.0
NICKELODEON.....	Children & Young Adult Programming.....	34.2
SIN.....	Spanish Information Network.....	32.8
TEMPO.....	International Programming.....	12.5
USA.....	Entertainment Programming.....	39.0
WEATHER CHANNEL.....	Weather Forecasts.....	28.0

*Coverage statistics from: *Channels of Communication*, (1988), 7 (11): 108-109.

Table 1

news reporter. Remarkably, the FTC only recently publicly recognized these programs as advertising (*FTC News Notes* 1988a).

Media Standards for Acceptable Advertising.

The literature on self-regulation in broadcasting has examined guidelines for trade practices with implications for antitrust violations (e.g., LaBarbera 1980; 1981a; 1983) but has focused on the activities of the three major broadcast networks, ABC, CBS and NBC (e.g., Rotzoll & Haefner 1986). No published literature describes the cable network's standards for clearing general advertising.

Because the literature has not addressed ad clearance procedures at the cable network level, this exploratory study adopted a qualitative approach drawing on broad ideas of terminology and practices from the ad clearance and practices literature on other media ("Media Must Screen..." 1985; Rotfeld & Parsons 1987). The underlying goal of this qualitative investigation was to explore in-depth the cable network representatives' attitudes and networks' procedures for accepting and monitoring infomercials.

METHOD

The individual depth interview (IDI) method was used to collect information in one-to-one telephone conversations that generally lasted 45 minutes. The open and flexible structure of this method gives the interviewer greater latitude in the way questions are phrased or rephrased and leaves participants with the same degree of flexibility in their responses (Goldman & MacDonald 1987). The method is also appropriate for this study because the subject matter includes private or sensitive areas that participants may not readily share in a more public setting or by using a more structured survey instrument. Telephone contacts and interviews were carried out from September through October of 1987 with representatives of legal, sales and corporate offices of the 14 national advertising-supported cable networks (Table 1).

To assure the confidentiality of all interviews, the names of the personnel contacted are not reported. The representatives of three networks refused to discuss sensitive matters on the telephone nor did they return mail questionnaires. Of the 11 responding, the only networks that did not carry

infomercials were 24-hour news and weather channels and 24-hour music networks.

General open-ended interview questions were adapted for use in this study from LaBarbera's (1981a) mail questionnaire to magazine editors and from Parsons, Rotfeld, and Gray's (1987) mail questionnaire to magazine publishers and advertising directors (Table 2). These questions gave the bases for the organization of the results section. Questions centered on four main areas: selling and scheduling procedures; criteria or guidelines for viewing, accepting, or rejecting; information disclosure or commercial identification; and viewer complaints.

RESULTS

Appropriate to the type of qualitative method utilized in this study, results are not meant to suggest specific proportions or orders of magnitude. This approach addresses the nature and structure of the depth interview responses rather than frequencies or distributions. While a census of potential respondents was contacted, the results are based on 8 interviews out of a population of 14 networks (3 failed to respond, 3 did not carry infomercials).

A review of the depth interviews conducted suggest that a variety of individuals assume responsibility for the cablecast of infomercials. Decisions to clear advertising and programming were often diffused in the organizations; only two cable networks had established an office of "Standards and Practices," as is commonly found at large broadcast stations and the three major networks.

Programming departments typically decided which time slots would be allocated for infomercials, whereas sales management or traffic, legal, or corporate officers of varying degrees had input in policy or day-to-day decisions on the acceptability of individual programs. Frequently, responsibility rested with different corporate officers or departments.

QUESTIONS INCLUDED IN TELEPHONE INTERVIEWS OF CABLE NETWORK CLEARANCE PERSONNEL*

1. Are infomercial/program buys, program length commercials carried or accepted?
2. What are the procedures for selling and scheduling the "shows?"
3. Do consistent guidelines for infomercial review and acceptance exist?
4. What criteria exist for accepting or rejecting the "programs?"
5. What types of products or "programs," if any, have been rejected in the past (e.g. offensive language, questionable product claims, etc.)?
6. Are there requirements or concerns that infomercials be identified as paid commercial advertisements? If so, what was the nature and frequency of the identification?
7. Do viewer complaints exist? If so, how are problems resolved?

* Adapted from LaBarbera's (1981b) mail questionnaire to magazine editors and Parsons, Rotfeld and Gray's (1987) mail questionnaire to magazine publishers and advertising directors.

Table 2

Concerns About Confidentiality. Organizations consider clearance activities a source of pride (Zanot & Rotfeld 1983). However, they also fear that their activities may be misunderstood by the public. They fear the charge of censorship, yet they do not want to neglect obligations to their audiences (LaBarbera 1980; 1981b). Thus, many representatives interviewed were concerned about the confidentiality of their responses. As noted, personnel for three networks refused to discuss clearance procedures over the phone or by mail. Others responded on condition of anonymity or further information: a representative from one of the largest networks refused to give any names of the people responsible for clearance decisions; two network representatives requested that they first be sent preliminary letters; some requested that their names or organizations not be identified or co-workers not be told that they had discussed these matters outside of the organization.

Programming Arrangements. Networks usually set aside the least desirable time periods in their schedules for infomercials (e.g., low audience viewership hours during the late evening and early morning). Infomercials are thus commonly programmed during periods that otherwise would not be sold. As their financial status strengthens so that they can purchase and produce their own programming, many respondents indicated that they plan to restrict infomercials to progressively smaller blocks of time.

The Use of Disclaimers. Through self-regulation, print media commonly label all advertising content (Rotfeld & Parsons 1987; Hinds 1988a). However, labeling advertising does not seem to be a strong concern at cable networks carrying infomercials. The few disclaimers that label infomercials as paid commercial advertising are relatively new and usually appear at the beginning of each commercial. Interestingly, the network personnel who most strongly favor identifying infomercials have previously worked for either the National Association of Broadcasters or for large broadcast stations.

At networks that did not carry disclaimers, some representatives interviewed were dissatisfied with the situation. A programming officer at one network said the idea had been discussed as, "Maybe we should..." but nothing concrete had been decided. Management-level personnel at two other networks said, "That's a good question. Maybe we should." To them, it was a novel idea they had not considered. However, one network executive revealed that advertising labels had been discussed and seriously considered; they had concluded, however, that they did not understand the reason for labeling advertising. "Why chase the audience away?" he queried. "Some of these programs are very entertaining." One vice-president emphasized that "some of these [infomercial] programs are well-produced, extremely informative and popular with the audience."

Rejections and Restrictions. According to the cable personnel contacted in this study, cable networks screen infomercials more closely than other advertising submissions. All networks rejected some infomercials, but their reasons and motives differed. Typically, programmers, sales managers, and legal personnel base their decisions to clear products and advertising on intuitive judgments about "good taste," credible claims, safety of the product, entertainment value, and an additional credit verification to ensure that the sponsor can pay for the air time. However, their primary concern appears to be how well the infomercial and other programming maintains viewership and whether a presentation would offend the target audience.

Unless an infomercial strains the credulity of the network's pre-screeners, they usually do not ask the sponsor to substantiate claims. Those representatives contacted reported that the networks do not have the time, facilities nor expertise to test advertised products. Only two reported recently turning down an infomercial because of a concern about a specific product. Playing on the public's fear of AIDS, an infomercial offered a disinfectant that claimed to prevent users from contracting the disease.

Viewer Complaints. The cable personnel interviewed described viewer complaints—even about the effectiveness of a product—as "rare." In general, when a viewer takes such action, personnel re-examine the ad to decide if a complaint is valid. When viewers do complain, it is usually because a program or product does not fit a network's programming norms or because a product was not delivered as promised. The latter was the most frequently mentioned. When a product is not delivered, the station directs the program supplier to "clean it up" and "make good," or the program will no longer be welcome on the network. "They need us," one representative maintained, "so they know they better respond to customer complaints."

DISCUSSION

This exploratory study investigated how the national, advertising-supported cable networks accept and monitor infomercials. The depth interviews in this study suggest that the basic cable networks have little concern about advertising viewers' welfare. There are no consistent standards to limit the potential for deception associated with infomercials or *any other* form of advertising.

These qualitative findings support the trend that has been documented

Unless an infomercial strains the credulity of the network's pre-screeners, they usually do not ask the sponsor to substantiate claims.

in other media for all advertising clearance issues. In addressing the National Advertising Division (NAB) of the Council of Better Business Bureaus, Virginia Knauer, President Reagan's consumer adviser, lamented that only 18% of publishers and broadcasters specify that they don't accept questionable advertising; less than 2% of newspapers reject ads that would be classified as questionable therapies or doubtful medical products or refuse to accept ads for unconventional investment or stock promotion schemes ("Media Must Screen..." 1985). Given these data, media advertising standards in general do not seem to be based on audience protection or consumer welfare. Therefore, it is not surprising that the cable network advertising carriers interviewed in this study are not concerned with monitoring infomercials.

A few cable representatives expressed a general dislike for infomercials but accepted them as a necessary source of revenue. Network personnel apparently schedule the shows to meet short-run financial needs and to fill available program space. Cable network representatives maintain that they are restricting infomercials

to progressively smaller broadcast segments as they are able to obtain programs and sell advertising time on their own. A review of TV directories from various cities, however, reveals that infomercials are scheduled in almost any time slot. Not surprisingly, during the past four years, this controversial form of advertising has spread to share equal time on regular broadcast affiliate and independent TV stations (Rosenthal 1988).

The Economic Incentive to Air. The Federal Communications Commission's removal of restrictions on the broadcast of program-length commercials, coupled with increasing revenue and programming to fill open time, has fostered the growth of the program-length commercial format. Even some of the strongest basic cable services have programming and advertising needs they cannot fulfill on their own (Motavalli 1987).

Hayes's (1987) observations about clearing advertising at magazines also apply to clearing advertising at cable networks. Self-regulation does not encourage media organizations to devote resources to prevent false or misleading advertising. They gain revenue not predominantly from their audiences, but from selling advertising time. To attract advertisers, the networks have an economic incentive to screen certain ads: not to protect consumers, but to protect their station's image so that specific audiences are maintained for specific advertisers. Because the carrier of the advertising is not liable for false or deceptive advertising, cable stations have ample economic incentives and few, if any, disincentives for accepting fraudulent or deceptive ads. Station operators don't pay for the program material provided by infomercials; thus they might generate up to 400% more revenue by clearing those than by buying and airing syndicated reruns with traditional 30-second advertising spots (Chester & Montgomery 1988). This economic attraction also beckons local affiliates and independent broadcast stations. Even though many cable

personnel assert that they are phasing out infomercial programming, in the absence of government action, such economic incentives would predict, instead, an increased use of the infomercial's program-length advertising formats.

Implications for Consumer Interest Professionals: Opportunity for Action. Cable network personnel's reported belief that infomercials are informative or of interest to the viewers does not justify their subsequent lack of consumer protection activity. Without incentives to monitor or disincentives to accept questionable or fraudulent advertising, media organizations are not likely to focus on the economic or physical welfare of their audience. Consumer interest professionals can actively participate in protecting and enhancing consumers' welfare with respect to infomercials on several levels.

Although the FTC has reduced its regulatory activities during the last decade, state attorneys general have become involved in the regulation of national advertising ("NAAG-ing..." 1988; Miller 1988; Hinds 1988b; "Consumer Protection..." 1987). Iowa's attorney general, Thomas Miller, has successfully won lawsuits against the producers of two infomercials. Ed Beckley, "The Millionaire Maker," was pulled off the air when Miller's office worked through a federal bankruptcy judge to have the corporation file a Chapter 7 requiring the liquidation of assets. However, it's unlikely that the company will be able to repay the more than 10,000 consumers who are claiming \$2.6 million in refunds from Beckley's "money back guarantee" (Personal interviews with investigators from the Consumer Protection Division of the Iowa Attorney General's Office).

Following the Iowa decision, the FTC recently issued a consent agreement against one infomercial producer for falsely claiming that its advertisement was an independent investigative consumer program and filed complaints against two sponsors of infomercials for making false and de-

ceptive claims about their hair regrowth and restorer products (*FTC News Notes* 1988a; 1988c).

Regulatory storms may be brewing on several fronts. The National Association of Attorney's General (NAAG) appears to be moving toward building a supportive environment for the regulation of national advertising in spite of warnings from the FTC (Rothman 1988). Changes in FTC commissioner appointees from the different administration may define a Bush direction for regulatory agendas. FTC Commis-

Fortunately, in the case of infomercials, using videotaped examples of the ads makes classroom applications entertaining as well as instructive.

sioner Andrew Strenio has already urged the new administration to improve more agency resources to police deceptive advertising (*FTC News Notes* 1988b). Furthermore, consumer advocacy groups may bring pressure at the state and federal levels for increased protection against fraudulent and deceptive advertising practices (Neiman 1988).

Consumer interest professionals can utilize the traditional government and industry complaint mechanisms against infomercials to require and enforce appropriate labeling and disclosure requirements. Although the FCC requires traditionally broadcast stations to identify these programs as advertising, most cable networks are exempt. The interests of consumers mandate labeling these programs as commercials.

Furthermore, the disclosure announced at the beginning of the show may be inadequate. Labeling criteria should be based on research in human behavior and information processing of broadcast messages. For example, in the area of television viewing behavior, "zipping," constantly changing channels every few minutes, characterizes a growing proportion of the au-

dience (Kaatz 1987). Such behavior would preclude audience members seeing disclosure information aired only at the beginning of the infomercials.

Consumer affairs professionals in business (CAPs) can also actively participate as consumer ombudsmen in advertising review boards during the pre-production stages of planning advertising (Fernstrom 1988; Fornell 1988). Yet, as Hayes (1989) notes, maintaining the consumer perspective in infomercials and other evolving types of advertising will require more than the monitoring of deceptive practices. It also demands that CAPs continue to develop their professional commitment to innovation, quality and credibility in the information they disseminate—including their corporation's advertising.

The importance of the consumer educator's role in raising students' level of awareness about the possible influence of nontraditional as well as traditional forms of advertising on consumer decision making should not be ignored. Consumer educators may be the only source of information—in terms of a critical, analytical approach to advertising—to which secondary students are ever exposed (Hayes 1988). Fortunately, in the case of infomercials, using videotaped examples of the ads makes classroom applications entertaining as well as instructive. ACI

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BANKRUPTCY: COUNSELORS TAKE NOTE!

Chapter 13 petitioners— what contributes to their success or failure.

Credit and its use have become a way of life in the United States. This, unfortunately, has resulted in increased bankruptcy rates and an estimated annual loss to creditors in excess of \$6 billion dollars (U.S. Administrative Office of the Courts 1982, 1983, 1984). This loss is ultimately passed on to all consumers in the form of higher prices. To minimize these losses and still allow families in trouble to file bankruptcy, the use of Chapter 13 bankruptcy was expanded in 1978 as part of the Bankruptcy Reform Act (BRA). Chapter 13 is designed to minimize bankruptcy losses through a repayment plan approved by the court (Connors 1980; Epstein 1980; Lee 1979).

Helping families manage debt is a primary objective of professionals concerned with family financial well-being. Planning and budgeting income are considered fundamental to financial management, yet research indicates few families follow a plan and little is known of plans that work. (Lown 1986; Mullis and Schnittgrund 1982). Families who successfully manage to repay debts through a plan with the court can provide important information for professionals working with family debt problems.

The purpose of this study was two fold: (1) to explore the similarities and differences between families who filed

Chapter 13 and were successful in a plan of debt repayment compared to those who were unsuccessful, and (2) to provide data for educators and counselors who are working in the area of debt management. The Central District of California Bankruptcy Courts (Los Angeles, Santa Ana and San Bernardino) was chosen, since approximately 10% of all bankruptcies nationally are filed in this district (Polk 1983).

BACKGROUND

One of the major provisions of the Bankruptcy Reform Act (BRA) of 1978 was to broaden the use of Chapter 13 (Connors 1980). Chapter 13 allows repayment of delinquent debts, while being somewhat flexible in the proportion repaid and the length of debt repayment. A Chapter 13 plan must be approved by the court at a hearing after all creditors have been contacted and allowed to file claims against the debtor. The claims that are included in the plan are called "debts allowed in the plan." Other secured debt, such as a mortgage, are usually not included in the plan and are paid "outside the plan." After approval of the plan, debtors make payments to the court through a trustee. While these plans are usually for three years or less, the court can approve plans for longer periods. A case may be dismissed from the court for failure to make payments. When the proposed plan is completed, the debtor receives a discharge granting that any remaining debt is no longer

owed (Epstein 1980).

Much of the current research on bankruptcy has dealt with the reasons for the increase in bankruptcy since the enactment of the BRA or the differences in the characteristics of Chapter 7 and Chapter 13 petitioners. Shiers and Williamson (1987) found that increases in the asset exemption levels contained in BRA did not cause personal bankruptcy rates to increase. Additionally, the new exemption regulations did not change the characteristics of individuals filing for bankruptcy (Ulrichson and Hira 1983).

Studies of Chapter 13 petitioners found that the average debtor since BRA was similar to the average debtor who filed prior to BRA. However, since BRA there has been an increase in filers with white-collar occupations and among those owning their homes. The debt-to-income ratio has also been higher among filers having a heavy reliance on credit with a large number of debts (U.S. General Accounting Office 1983). According to Shepard (1984),

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personal bankruptcy rates were responsive to increased use of credit by consumers between 1948 and 1979, and the Bankruptcy Reform Act appears to have had its intended effect on encouraging Chapter 13 filings.

Prior to BRA, several studies had looked at the factors affecting successful outcomes in Chapter 13 filings. In 1972, the Brookings Institute (Stanley and Girth) reported that about half of the repayment plans were successful and resulted in repayment of about 95% of scheduled debts. By contrast, in a Chapter 7 liquidation bankruptcy, creditors often received nothing on unsecured debts. Hoskins (1976) studied repayment plans over a five-year period. With counseling intervention, about 80% of the debtors repaid about 60% of their debts. Employment and family characteristics were significant in predicting those who would complete the plan.

At Senate Hearings in 1981 (U.S. Congress, Senate), an accounting firm reported that monthly payment amounts in a plan could be an important characteristic of a successful outcome. The records indicate that for more than 15,000 cases during a 20-year period, successful cases had payments of \$10 to \$15 per week less than unsuccessful cases. In 1983 Congress directed the General Accounting Office (GAO) to complete a study of bankruptcy since BRA (U.S. General Accounting Office 1983). The GAO reported that Chapter 13 petitioners would be expected to repay about 60% of unsecured debt over a three-year period. There have, however, been no studies of successful completion since the BRA or of differences between those who manage successfully and those who do not.

METHODOLOGY

Data for this study were obtained from a simple random sample of 99 cases accepted by the Federal Bankruptcy Court in Los Angeles during 1982-83 under the Chapter 13 of the Bankruptcy Reform Act. Chapter 13 petitions were selected, since the characteristics of the successful as well as unsuccessful petitioners should provide valuable data for professionals helping families develop financial management plans. The years 1982-83 were chosen so that it was possible to analyze cases, filed since the BRA of 1978, in which repayment

SUMMARY OF MEANS AND SIGNIFICANT FINANCIAL AND OUTCOME FACTORS FOR THE SUCCESSFUL AND UNSUCCESSFUL PETITIONERS IN CALIFORNIA

	Successful N=41	Unsuccessful N=58	T-value
FINANCIAL FACTORS			
Total monthly income.....	\$ 1,403	\$ 1,713	2.56*
Market value of home.....	72,512	97,210	2.31*
Monthly housing cost.....	474	651	3.29**
Attorney fees.....	729	563	2.86**
Debt outside plan.....	39,891	54,635	2.48**
Average number debts outside plan.....	1.3	2.1	2.82**
OUTCOME FACTORS			
Total dollars repaid.....	\$ 9,181	\$ 1,773	2.47*
Percent of debt in plan repaid.....	67%	9%	3.97**
*p<.05			
**p<.01			
***p<.001			

Table 1

plans had been completed when the data were collected.

It was determined from the review of literature and the court data that cases were open or "pending" with the court until the petitioners finished their repayment plan. Families who failed to make payments were dismissed from the court. Other families completed their plans. Thus, there were three potential groups for analysis in the study: the unsuccessful group (dismissed cases), the pending group (cases still paying), and the successful group (completed cases).

Data were taken from the information provided on the petitions. Since these data were limited, it was not possible to analyze some variables. For example, information on household expenditures such as food and clothing was not included. T-tests were used to determine if there were significant differences in the means of the successful and unsuccessful groups. Chi-square analysis was also used to determine if significant relationships existed between the outcomes and selected descriptive variables.

SAMPLE CHARACTERISTICS

A total of 99 petitions was analyzed with 41 of these being successful cases and 58 being unsuccessful cases. Since access to the pending cases was not allowed by this district court, pending cases could not be included in this analysis. The majority of the sample were married—71% of the successful group and 65% of the unsuccessful group. (See Table 1.) Eighteen per-

cent of both groups were single. The successful group had an average of 1.3 children while the unsuccessful petitioners had an average of 1.7 children. Two-thirds of the successful group had a male head while more than three-fourths of the unsuccessful group had a male head.

The majority of the household heads were employed as skilled labor, sales and service, and clerical. These occupations accounted for 56% of the successful group and 52% of the unsuccessful group. An additional 23% of the successful group and 30% of the unsuccessful group were employed in managerial and professional positions with 13% of the successful group and 12% of the unsuccessful group being unemployed, retired or disabled.

RESULTS

Financial Factors. The unsuccessful group had higher mean values than the successful group for total monthly income, market value of home, and monthly housing cost. (Table 1). The total monthly income of the successful group was \$1,403 versus \$1,713 for the unsuccessful group. The unsuccessful group also had a higher market value of home at \$97,210 than the successful group's value of \$72,512. As might be expected, the monthly housing cost for the successful group was lower than for the unsuccessful group (\$474 versus \$651).

The trends in terms of debt-load provide insight about the petitioners' situation. The successful group had a higher mean number of debts (10)



than the unsuccessful group (9), but the total mean amount of debts allowed in the plan was higher for the unsuccessful group (\$19,470) than for the successful group (\$13,845). The unsuccessful group also had a higher mean amount of debt outside the plan than the successful group, \$54,635 and \$39,891, respectively. (Debts outside the plan are mortgages or other debts that may be paid by the debtor rather than the case trustee.) As might be expected from this variable, there was a significant difference in the mean *amount* of debt outside the plan as well as in the mean *number* of debts outside the plan.

The mean amount of secured debt was higher than the mean amount of unsecured debt for both groups, and the unsuccessful group had higher mean amounts of secured and unsecured debt than the successful group. The mean secured debt for the successful group was \$10,916 versus \$15,443 for the unsuccessful group, while the mean unsecured debt was \$4,251 for the successful group and \$5,071 for the unsuccessful group.

By comparison, the successful group had higher levels of medical and priority debts as well as attorney fees and administrative expenses than the unsuccessful group. The medical debt was \$454 for the successful group and \$355 for the unsuccessful group. The administrative expenses of \$533 paid by the successful group were higher than the \$144 paid by the unsuccessful group. This was also true of priority debts, for which the successful group had a mean debt of \$1,464 versus the \$1,226 of the unsuccessful group. (Priority debts are those that cannot be discharged by the bankruptcy, such as taxes, alimony, child support, student loans, etc.) It is interesting to note that there was a significant difference in the attorney fees paid by the group. The successful group paid higher fees (\$729) than the unsuccessful group (\$563).

In terms of debt repayment, the successful group planned to pay more per month than the successful group, while the average plan length varied little. The unsuccessful group planned to repay approximately \$6,072 (\$276 monthly for an average of 22 months), compared to \$4,761 (\$207 monthly for an average of 23 months) for the successful group.

Outcome Factors. The successful group repaid 60% of the total debt owed, while the unsuccessful group repaid less than 8% of the total debt owed. However, the amount of money returned to creditors in plans indicated that families who were successful repaid about two-thirds of the debts that were included in the repayment plan. Families who were unsuccessful repaid about 9% of the debts that were part of the repayment plan. The average amount repaid by families in the unsuccessful group was \$1,773, while families in the successful group repaid an average of \$9,181. About \$1/2 million was returned by families in this study to the economic system through Chapter 13 plans.

The results of chi-square analysis

Regardless of who is doing the counseling and helping the petitioner develop a plan, if careful attention is given to the level of repayment in relation to the petitioner's other debts and income, the chances of success should increase.

on the sample provide some additional insight into successful and unsuccessful Chapter 13 petitioners. The results of this analysis indicate that the successful group was likely to have lower monthly incomes, lower monthly housing costs, and lower home values.

In terms of secured and unsecured debts, the difference was in whether or not the families had the debt rather than the amount of the debt. The unsuccessful group would be expected to have secured debt while the successful group would be expected to have unsecured debts. For debts outside the plan, the successful group would be expected to have lower amounts of debts outside the plan.

One interesting finding is that the successful group would be expected to pay more than unsuccessful group in attorney fees. More data are needed to determine why this relationship would exist. However, it might be due to those successfully completing their plans paying more simply because they completed their plans or because the attorney knew they would pay

more; or they may have had attorneys who spent more time making sure their clients "followed through" with their plans and, thus, charged them more. Attorneys who helped set up the successful plans may also have spent more time with their clients making sure they submitted a workable plan to the courts.

There was also a significant difference in the total amount of dollars repaid. The unsuccessful group was likely to have repaid a total of less than \$1,500. In addition, when looking at a ratio of the monthly repayment amount to the total monthly income, the unsuccessful group was likely to have a higher repayment rate, approximately 16.1% compared to 14.7% for the successful group.

CONCLUSION

The findings of this study imply that Chapter 13 is an important resource for families in financial crisis. Families will complete successful plans under the broader provisions of the Bankruptcy Reform Act, returning substantial amounts to creditors. Families in the unsuccessful group planned to repay a higher percentage of total debt and elected difficult budget constraints of monthly debt repayment. Additionally, the chi-square analysis indicated that level of expenses, level of debt and ability to manage resources are more important to successful completion than higher income.

The successful group had less debt in their plans with lower percentages of monthly debt repayment and lower amounts to be repaid; however, there was no significant difference in the total debt allowed in the plans of the successful or unsuccessful groups. In terms of total debt, creditors received from the successful group substantial returns of two-thirds of total debts owed. The unsuccessful group did make some contributions to creditors with about 8% of total debts being repaid. It would appear that even though they did not complete their plans, these petitioners might have repaid some funds that would not otherwise have been paid in a liquidation (Chapter 7) bankruptcy proceeding.

The findings of this study are comparable to those of a similar study conducted in Phoenix. Data were collected from Chapter 13 petitions on

file with the Federal Bankruptcy Court in Phoenix (Bartelme and Baker 1987). In this study, the successful petitioners also had lower monthly repayment amounts than the unsuccessful petitioners and lower total amounts to be repaid. The monthly repayment amounts of the successful petitioners were also less than 15% of the monthly income.

Overall, the general trends and findings of this study should be applicable to other states. The biggest difference will probably be in the high costs for housing that are characteristic of this sample. The Phoenix sample, for example, had the same overall trends yet the amount of housing debt in the Los Angeles sample was much higher than that in the Phoenix sample. Other high-cost areas, such as Washington, D.C., Boston, or San Francisco, would probably also find high amounts of total debt since housing debt contributes greatly to overall debtload.

IMPLICATIONS

It is possible to minimize the losses from bankruptcy by using Chapter 13 with realistic levels of debt repayment, but successful plans will still include substantial write-offs of debt and may take lengthy periods of repayment. The successful families were able to follow a financial plan that allowed them to pay off past debt while continuing to meet current financial demands. And, those who were successful had monthly repayment amounts that were within 15% of their monthly income. For years, professionals have been recommending that families should not have more than 20% of their monthly income committed to credit obligations and that amounts in excess of that were unmanageable (McKenna and Makela 1986). This study supports that concept and reinforces the importance of teaching management of financial resources.

These findings are important to educators and counselors working with families and individuals facing financial crisis as well as to lawyers and courts advising petitioners filing Chapter 13. Regardless of who is doing the counseling and helping the petitioner develop a plan, if careful attention is given to the level of repayment in relation to the petitioner's

other debts and income, the chances of success should increase. If the repayment amount is too high, this may contribute to the petitioner's feeling that the situation is hopeless and overwhelming. Therefore, they may make little effort to complete the plan. However, if advisers help develop a plan that is manageable, this should increase the confidence level and willingness to try and stay with the plan. Chapter 13 should be used not only as an "out" for the petitioners but also as a way to educate them about good management practices and the importance of goal establishment and attainment.

These findings also support the concept of "mandatory" financial counseling for bankruptcy petitioners. If mandatory counseling were available, it should help all petitioners, not just those who are lucky enough to have good attorneys. Financial mediators, such as those now being used in divorce cases, could be used also to develop the repayment plans. This would be a less costly alternative to the petitioner than paying for an attorney's time to develop a workable plan. In addition, it would provide the opportunity for financial education to occur. It would also reinforce the concept that education must occur for behavior to change. In the instance of bankruptcy, the behavior pattern needs to change not only for the well-being of the petitioner but also for the well-being of the economic system. ACI

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GUEST OPINION

ACCI NOW AND IN THE NINETIES

Nobel Laureate T. W. Schultz was once asked what he thought of an issue. His reply was: "I don't know. I haven't written myself out on the topic yet." His reply was apt because I too require the discipline of "writing myself out" on a subject for me to know what I think. Consequently, when John Burton, the editor of *ACI* asked me for my views on the health of ACCI (in three double-spaced pages or less), I began to write. This is the result.

ACCI members are not shy, nor are they devious and subtle. Most tell it like it is and, if one is a board member or the president, they are even more anxious to offer one their views. This is as it should be, and more than a few ACCI members have bent my ear on the state of the association. Here is what I've been told.

Some members tell me that ACCI would be so much better if those consumer educators were not members and if ACCI did not devote so many resources to consumer education. Consumer research is the only important game in town and ACCI should specialize in it.

Other members tell me that ACCI would be better off if those consumer researchers were not members and if ACCI did not devote so many resources to consumer research. Consumer education is the only important game in town and ACCI should specialize in it.

Who am I to believe? Is ACCI the property of one but not the other of these groups? Should either the educators or the researchers depart ACCI, leaving it to the other?

My own view is a definite NO! ACCI is, and should be, a yeasty mix of educators, researchers and policy analysts, although there are fewer policy analysts than is optimal. Over time and on the average, ACCI has served both researchers and educators well. If either group left ACCI,

consumer educators, consumer researchers and society would be the poorer for it.

Less important reasons for ACCI, including and supporting both groups, are physical and financial. It is the case that many members are both educators and researchers and that ACCI is a small organization with a stable membership. As of March 1989 we had 573 regular voting members, 88 regular associate members and 193 student members for a total membership of 854 (excluding 845 institutional members, largely libraries). Although we are small, together we are large enough to provide our members with an amazing number of high quality services: the *ACCI Newsletter*, the *Journal of Consumer Affairs*, *Advancing the Consumer Interest*, the *ACCI Proceedings*, *Career Opportunities*, a periodic *International Consumer Affairs Newsletter*, annual meetings, periodic research conferences, an increasingly active Consumer Education Committee, an awards program recognizing excellence in both research and consumer education, and a most active association headquarters office. In addition, we are able to collaborate effectively with other professional associations with whom we have mutual interests such as Consumer Federation of America (CFA), International Organization of Consumer Unions (IOCU), National Council on Consumer Education (NCCE), and the Society of Consumer Affairs Professionals (SOCAP), to name a few. Indeed, ACCI provides more services to its members per dollar of dues than any other professional association with which I am familiar. Separated, neither group would have the resources to provide the services we enjoy together. And, the many members wearing both hats would have schizophrenia!

The most important reason, however, is that we need each other pro-

professionally. We stimulate, influence and use each other's work. Consumer educators use and implement the results of consumer research. The enthusiasm and practical problem-solving focus of consumer educators identify and partially direct research problems. The conservatism of the research method provides boundaries of the possible for the enthusiasm of the educator. Educators' and extension specialists' sense of the politically possible deflate the more fantastic of the researcher's proposals. As we influence each other, our individual efforts are multiplied and changed for the better. If we had more consumer policy analysts, the same mutual benefits could accrue across all three groups.

ACCI is a crucial mechanism by which we interact. For an optimal reaction among its members, it must be a "yeasty mix" of consumer educators, researchers, policy analysts, consumer advocates, and consumer affairs professionals in both governmental agencies and corporations. Too much yeast and the bread blows up; too little and it remains a flat, sodden mess. All should not be sweetness and light between educators, researchers, policy analysts, and consumer affairs professionals for, if it is, ACCI will founder on too little stimulation. Too much discord and the required communication between and among us is impossible, and the association is torn asunder.

In the end ACCI is a most useful coalition and can prosper in the 1990s. We will have to work hard to maintain the optimal balance in association services to educators, researchers and others. An important part of those services will be programs to provide optimal "irritation" of each group by the other. The wish by one segment of ACCI for the departure of another belies a profound misunderstanding of the proper role of applied professional associations and of ACCI in particular. Certainly, association life would be more comfortable if "the other group" were not there or were quiescent. So, I imagine, is death. ACI

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W. Keith Bryant Professor, Consumer Economics and Housing, Cornell University and past president of ACCI.

CONSUMER PROTECTION

COLLISION DAMAGE WAIVERS

If you are a frequent business traveler, you have probably been exposed to the barrage of advertisements encouraging you to rent a car for an emphasized daily price. However, when you actually visit the rental counter, you find that the advertisements cover only part of the contract presented by the rental agent. An assortment of extended coverages, waivers, exclusions, and forms of insurance are offered. If accepted, the price for renting the automobile may double.

One such offer by the rental car companies is known as the collision damage waiver. Under a body of law called bailment, which governs rental transactions, the renter bears the responsibility for the safekeeping of the property rented. If the property is damaged, the renter would be obligated to repair or replace the property. Commonly, in automobile rental situations, the rental car company does possess insurance coverage on its fleet. This does not absolve a renter from liability for damages to the automobile. However, for a price, the company will either add the renter's name as an additional insured person on its policy or waive any amounts for which the renter would be liable.

Because of the appearances that collision damage waivers are insurance, the National Association of Insurance Commissioners (NAIC) began in 1985 to explore the area. One of the first issues was whether the grant of a collision damage waiver would fit within the legal definition of the business of insurance. In states where the question had been presented, such as New York, California, Florida, and Illinois, the answer was that collision damage waivers were not within the regulatory sphere of state insurance officials.

Nonetheless, the NAIC drafted its first model act for the regulation of collision damage waivers. Whether this item constituted insurance was sidestepped as an issue by declaring that it was to be regulated separate-

ly and defined as follows:

Collision Damage Waiver means any contract or contractual provision, whether separate from or a part of a motor vehicle rental agreement, whereby the lessor agrees, for a charge, to waive any and all claims against the lessee for any damages to the rental motor vehicle during the term of the rental agreement.

Under the original model act, no car rental company could offer a collision damage waiver without first registering with the state insurance regulatory officials, paying a fee, and obtaining a license. The collision damage waiver form had to be submitted to the state prior to use by the rental company and had to meet requirements for readability, terms, type size, and statements of charges. As an additional form requirement, a bold-face notice had to be placed on the agreement disclosing to the renter that the waiver was optional and that the renter should determine whether another existing automobile insurance policy already provided such coverages.

To control the amounts charged to the renter, the model act contained a rate filing requirement. Prices for the collision damage waiver would be scrutinized in a manner similar to insurance rates. The rates would have to be submitted for filing in the state 30 days before use.

The enforcement measures of the act were threefold. False or misleading statements, omission of material statements, relating that a purchased waiver was mandatory, and failing to provide disclosures that the waiver may duplicate the renter's personal insurance were cited as unfair trade practices that could be the subject of a cease and desist order from the state insurance officials. Second, injunctive relief for violations of the act were available. Finally, a penalty of \$500 was set as a maximum for a single offer or sale of violative waiver. A maximum of \$10,000 was set as a civil

fine for a series of violations with additional amounts if the violations were willful.

As originally conceived, the consumer was protected by provisions of a full, insurance-type regulatory model promulgated by vote of the NAIC membership in June 1986. The problem was that two years later only one state (Iowa) had enacted it. Two states had pending legislation approximating the model, and six states were seeking to promulgate only the portions of the act relating to disclosures to the renter about existing insurance duplication and the nonmandatory nature of the waiver purchase.

The failure of the original model act to attract enactment by the states prompted the NAIC to go back to the drawing board. As stated earlier, the liability placed on the renter for damages to the automobile stems from the common law of bailment. Instead of attempting to regulate present practices, the new approach simply prohibits shifting liability to the renter for damages, except under seven enumerated instances. The instances include intentional misconduct, intoxication or being under the influence of illegal drugs, engaging in a speed contest, circumstances of fraud in the rental transaction, use in criminal activities, use as a vehicle for hire, and unauthorized use outside the United States and Canada.

To complete the simplification, no waiver can be negotiated to cover the seven exceptions for which liability could be shifted to a renter. Enforcement mechanisms specify a fine of at least \$500 but not more than \$1,000 for each violation of the enactment.

The second model was adopted by the NAIC at its June 1988 meeting. At this writing, it is too early to tell whether the new model act will prove to be more popular.

There are differences in ramifications stemming from each of the approaches that, if such differences are the focal point of concern, may dictate whether a state enacts a particular model. The first model act was comprehensive, but aimed at turning the collision damage waiver into an insurance product. The cost of regulation by the state and the cost of compliance by the rental car company would both be passed through to the consumer/renter in the form of taxes and

rental fees. Any savings from a regulated rate on a collision damage waiver could merely be offset by a rise in daily rental charges. Accordingly, any savings or reasonableness in one set of charges could be avoided by a simple "gaming of the system."

The new model act's approach yields no cost savings for anyone. Every renter will wind up paying for a company's increased retained risk or increased cost of business occasioned by the inability to hold a renter liable for automobile damages. No renter will be able to rely on his or her own insurance coverages instead of purchasing a waiver. The former charged cost of the waiver will be passed through in the form of an increased daily rate which reflects the company's exposure.

A middle ground that has been taken by the six states cited above seems to embody the best approach. In Connecticut, Hawaii, New Mexico, Tennessee, Texas, and Virginia, action has been initiated to require that persons seeking to rent an automobile be informed that such persons may already have coverages through a personal automobile policy (most policies do provide coverage when driving non-owned vehicles). Cutting through individual state nuances, the waiver must also be disclosed as an elective offer in most enactments. A few go a step further to require that if a rental company confirms existing coverages of a renter, the company must later submit claims to the insurer if damage occurs instead of going directly to the renter.

While the NAIC usually does an excellent job of setting the groundwork in new areas, the two model acts provide no cure for consumer ills. The ability of the renter to avoid extra charges, whether hidden or purchased outright, must be present when the renter already possesses insurance coverages. Disclosure of price and elective status gives a renter the needed opportunity to compare and decide. Finally, any regulatory framework should be the least expensive available and tailored to suit the severity of the problem without overkill. ACI

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Martin M. Wilson Deputy Comptroller General, Office of Commissioner of Insurance, Georgia

CONSUMER EDUCATION

A CONSUMER NEWSLETTER FOR TEACHERS

The majority of consumer education courses at the secondary level are taught by teachers who have a variety of other coursework assignments. It is not uncommon for a home economics teacher, for example, to teach a consumer education course, a nutrition course, a housing course, and a child development course. Further, the consumer education teacher may teach the consumer education topics sporadically, perhaps as little as once every three years.

One of the major problems confronting "part-time" consumer educators is to develop and maintain competence in an extremely diverse and constantly changing subject area. Unless a consumer education teacher receives outside assistance, the likelihood of commitment and successful instruction of the topic is diminished.

A newsletter project that was developed to provide assistance to Missouri teachers that could be used as a model by interested educators in other states. The purpose of the newsletter is to help teachers develop competence and stay current in an ever-changing subject area. *The Consumer*

Educator: a Newsletter for Missouri Teachers, has been in existence since 1977. The idea developed as a result of a needs assessment study that this author conducted in 1977.

The study attempted to determine the needs of consumer educators and the commitment of consumer educators and principals throughout the state of Missouri. Survey instruments were sent to all secondary school principals and most consumer education teachers in Missouri. The respondents were asked which services were needed that were not being provided by any source, and which of those services were most needed. The services suggested to respondents included: 1) a resource center for consumer education materials; 2) an annual statewide consumer education conference; 3) in-service, non-credit regional workshops; 4) in-service, credit workshops; and 5) a consumer education newsletter.

The findings indicated that over 96% of the teacher respondents and 91% of the principals indicated a need for a consumer education resource center with over 93% of the teachers

and 90% of the principals indicating a need for a newsletter, with workshops (both credit and non-credit) and a statewide conference considered to be of lesser importance.

As a result of the survey, the two areas that had the greatest perceived needs were pursued. It was evident that a resource center, albeit clearly needed, would require a major commitment of financial support to develop and maintain. Thus, the newsletter option was pursued.

In 1977 we budgeted \$1500 to print and mail four issues of the *Newsletter* to 2000 on the mailing list. (In 1990 we would suggest a budget of \$500 to \$750 per issue for 2000 copies, depending on bulk-mail postage costs, number of pages, paper quality, local printing costs, and whether or not the copy is camera-ready when it goes to the printer.)

We initially contacted a variety of educators from the Missouri State Department of Education for funding and participation in the sponsorship and editorship of the newsletter. To our dismay, no one was interested. We then made a successful contact

with the Missouri Department of Consumer Affairs, a department that is responsible for licensing professionals and for providing citizens with consumer information. We eventually obtained the majority of our funding from the College of Education at the University of Missouri, and the remaining amount was received from the Department of Consumer Affairs. The editors of the initial *Newsletter* were the information specialist from the Department of Consumer Affairs, a Ph.D. student in Home Economics Education, and this writer.

The objectives of the eight-page newsletter are:

- provide a communication network through which consumer educators of various disciplines and from diverse institutions can share common concerns, problems and solutions;
- highlight and evaluate methods and materials from among the array of options (of varying worth) available to teachers;
- serve as a forum through which teachers can share effective activities;
- provide an update on current events at the federal, and state levels Missouri by examining consumer agencies, laws, and activities;
- announce meetings, workshops, classes, seminars, etc. of interest to consumer educators;
- encourage the advancement of the professionalism of consumer educators, thereby increasing public support for this somewhat misunderstood subject.

The *Newsletter* format and regular features include:

Lead Article. This section usually offers a thought-provoking, issue-oriented topic. Examples include: *Are Consumer Issues Changing in the 1980's?*; *Consuming the Media: Using the Media to Teach Consumer Education*; *Potentials for Consumer Education*; *Consumer Education and Economic Education: Is There a Difference?*; and *Marketplace Adversaries: The Buyer and the Seller*.

"Between the Bookends." Each issue reviews approximately 12-15 consumer-related materials. There are four subsections in this section:

- guides and bibliographies
- audio-visual materials
- high school texts

□ professional library

"Beyond the Bookends." This regular feature includes helpful tips for teaching consumer education. Generally three to six projects are featured in each issue, the majority of which are provided by classroom teachers.

"Who Do I Turn To?" This regular feature offers an overview of a state or federal agency, albeit consumer organizations and trade organizations have also been reviewed. Agency reviews have included: the Attorney General's Office, Consumer Information Center, Food and Drug Administration, Consumer Product Safety Commission, the Better Business Bureau, the American Council on Consumer Interests, and the Cooperative Extension Service.

"There Oughta Be a Law!" This regular feature gives detailed information on federal or state laws or trade regulations that have been promulgated. Examples include: The Missouri Consumer Fraud Act, Missouri's Small Claims Court Act, the door-to-door sales regulation, anti-trust laws, Equal Credit Opportunity Act, and the Fair Debt Collections Practices Act.

"Bird's Eye View." The purpose of this feature is to solicit the insights, experiences, and observations of qualified spokespersons for producer/seller interests in a manner that enables the reader to learn from them. One example is a representative from a real estate management company who offered some practical advice on renting an apartment. Other experts have included an auto mechanic, used car salesperson, etc.

"Need for Consumer Education." This regular feature incorporates a statement from an influential individual expressing his or her opinion on the need for consumer education. Spokespersons have included: the Governor, the Commissioner of Education, the Director of Consumer Affairs, the Special Assistant to the President for Consumer Affairs, the Attorney General, and a state senator.

There have been problems. Because of funding constraints, we have had to reduce the number of annual

issues from four to two. Indeed, for a three-year period we were unable to publish the newsletter at all. Funding has been sporadic and has been acquired from a variety of sources including the Colleges of Education and Home Economics, the Missouri Department of Elementary and Secondary Education, University Extension, and the St. Louis Public School System.

Because of job transfers, resignations, etc., identifying editors has been somewhat of a problem. During the past decade those who have served as co-editors include: the state Director of Home Economics Education, the Coordinator of Urban Problems for the St. Louis Missouri Consumer Information Center, and a state home economics extension specialist. Currently this author and a graduate of home economics extension provide the service.

As with most adversity, the above-mentioned challenges have actually become attributes. We have had the opportunity to cooperate with a variety of educational and quasi-educational groups, resulting in a balanced newsletter with the strengths of each editor and cooperating agency in evidence.

Our mailing lists have been provided to us by the Missouri State Department of Elementary and Secondary Education. Additionally, we have honored requests from teachers throughout the U.S. who have written asking to be placed on our list. We currently have approximately 2,000 professionals who receive the free subscription. ACI

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Mel Zelenak Associate Professor, Department of Family Economics and Management, University of Missouri-Columbia

Sample copies of a current issue of *The Consumer Educator, a Newsletter for Missouri Teachers* and additional information regarding initiation of a similar project in your state can be obtained by writing:

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CONSUMER REPORTING

FOR
TELEVISION

When John Burton asked me to compose my thoughts on local television consumer reporting, the opportunity was received with bittersweet honor. Sweet in that it is certainly an honor to address ACCI. Bitter in that the program with which I had been affiliated was recently cancelled. But, that really is the sad truth of consumer reporting at the local media level and unfortunately the trend. So, let me begin there.

The program I spent five years producing, *Contact 15*, was associated with the news department with the NBC affiliate in Madison, Wisconsin. The office enjoyed a seven-year tenure, serving more than 30,000 consumer complaints. There were two full-time staff, Bob Richards, a reporter, and myself, serving as a reporter and producer. Our segment ran three to four times a week during the news at 6:00 and 10:00 p.m.

Contact 15 wore many hats, but primarily that of a mediator and educator. Television consumer reporting operations often have to choose between these two roles. In a mediation capacity, we addressed approximately 5,000 contacts each year through letters and by phone. Each consumer who took the time to write a letter, explaining their side of an issue and including documentation outlining the problem, was assured some mediation assistance. Those individuals who invested only the time for a phone call were given general advice and often a referral.

In that form, *Contact 15* served as a mediator. In the sense that we produced a host of pamphlets, special segments and actually served as a lobbyist and advocate, we also wore the hat of educator. This is where most locally produced consumer affairs programs differ from that of *Contact 15*. And, this is why it is so difficult for such operations to be successful or even become estab-

lished in the first place.

It is important to note that the trend in television is toward de-emphasis of local programming. With the advent of more cable sources, satellite dish capabilities and the heavy influx of syndicated programming, both for entertainment and news value, local affiliates are finding it more difficult to afford large staffs of local reporters. As more local stations are bought and sold and given a stern eye by new owners, staffs quickly diminish, either through quick attrition or layoffs. In some cases, entire news operations have been forfeited for syndicated programming like "Geraldo."

Thus local stations that do employ news divisions find difficulty competing with the glitz and glamour of their syndicated competitors. In an effort to remain competitive they place a larger emphasis on the similar types of "shock" programming that are certain to grab the attention of viewers. Topics ranging from "Satanism" to "Sex and Violence" to "Hollywood Divorces" make great video, unlike 90% of the consumer stories found at the local level.

Another extremely important point to make is that while many consumer stories *could be* responsibly produced in the same stylized format, they are not. The reason is that the majority of local television reporters do not have specific academic training in consumer and economic issues. Only this training would provide them with enough background to even recognize a significant consumer story. Hence, many good consumer stories are left untouched at the local level, because they are not regarded as "good video," they are not seen as stories in the first place, or because the issues of business closings and bankruptcy proceedings seem too complicated and boring for television.

It's not news that the law of journalism dictates objectivity. That fact

alone can help build a strong consumer reporting operation. But it can also dismember it, almost in the same breath. Let me explain.

Many local consumer reporting operations have folded over an emotionally charged, but poorly researched, story on a consumer issue that is largely told through the eyes of a victim. In that sense, lack of objectivity (not telling two or more sides of the issue) leaves an unbalanced story and hence an irritated sales staff, general manager or audience. However, similarly, the consumer story that lacks conviction—or an intelligent, directed message and commitment—often falls on deaf ears, leaving no educational impact whatsoever.

At the local level, television reporters are often recent journalism school graduates, not having developed any particular expertise or interest in specific reporting beats. While some reporters are selected for their writing and production skills, many are hired based on their presentation and appearance. This is not to say that an individual with a strong track record of consumer issue reporting who possesses less than sterling delivery skills is absolutely out of a job. But, actual practice suggests that appearance rather than specific knowledge is often given stronger consideration in local television hiring decisions.

As I've previously mentioned, young inexperienced reporters may have difficulty identifying a strong consumer issue and hence a story. In the same light, a news operation or station may have difficulty identifying *the need* for a consumer reporting beat. With staffs being depleted, resources (such as photography, production time and personnel) become more scarce and choices must be made among reporting beats. The choice becomes whether to assign a specific reporter on a health, education, science, court, consumer or other beat. In my experience, the strong consumer beat takes considerably longer to establish and more time to maintain than the others mentioned. Hence, the decision to eliminate or never pursue the consumer operation seems most efficient. It's also a much easier decision for those commercial stations that wish to maintain strong advertising client relations in lieu of

economic reporting opportunities.

In an effort to demonstrate the complex nature of the sophisticated consumer reporting operation, I'd like to recap some of *Contact 15's* more notable achievements.

Frontier Airlines. When Frontier Airlines filed for bankruptcy, thousands of people were left holding tickets that could only be used for standby passage on other airlines. While travel agents and airline officials suggested that this was the best option for passengers, *Contact 15* investigated further. Within days, *Contact 15* reported that federal fair credit billing laws enabled consumers who purchased their tickets with credit cards to be eligible for full refunds through the card issuer.

Dozens of consumers called on *Contact 15* for assistance in explaining this matter to banking officials, specifically those officials who claimed they were not responsible for such refunds. In each case, refunds were issued and alternative travel arrangements made available.

Further, for those consumers who purchased tickets with cash, *Contact 15* established a step-by-step process in order to facilitate customers who needed to file with the Federal Bankruptcy Court in Denver. Dozens of consumers took advantage of this service and later obtained full refunds through the bankruptcy court.

No other local, state, federal or private agency, to our knowledge, provided consumers with this necessary information.

Nord TV and Video. Approximately two years ago Nord TV and Video opened stores in the Madison and Janesville, Wisconsin, areas, sold hundreds of lifetime memberships and within months closed shop leaving consumers without service. Since that time, *Contact 15* kept close files on consumers who purchased \$35 to \$300 memberships with Nord, lobbying for refunds through the Milwaukee office and assisting consumers in filing claims with bankruptcy officials.

Contact 15 approached Milwaukee bankruptcy officials with charges that they were not treating all creditors fairly, particularly the Madison, Janesville, and Fond du Lac consumers who purchased memberships.

Prior to *Contact 15's* involvement, a few of these people were offered a membership card that was good only in the remaining Milwaukee stores (two hours away from most members). Most customers of Nord TV and Video were never officially notified of the bankruptcy proceedings and thus offered nothing of value.

A letter-writing campaign initiated by *Contact 15* exposed the inequity of the issue and helped consumers claim the bankruptcy priority status to which they were entitled, giving them access to full refunds.

Further, *Contact 15* learned that the State Department of Agriculture, Trade, and Consumer Protection was refusing to notify 250 other consumers about this same bankruptcy proceeding. After *Contact 15* demanded that the state either open its files to WMTV, or notify those consumers immediately, the department sent a letter of notification to complainants. As a result, many of those consumers asserted their rights for the first time.

Many consumers view bankruptcy as a hopeless legal proceeding in which no consumer ever receives anything. The *Contact 15* reports and advocacy helped educate the public, suggest actions that could be taken, and prompt government agencies to assist.

The Karen Jolly Student Loan Amendment.

This investigation was spurred by University of Wisconsin engineering student and Guaranteed Student Loan holder Karen Jolly. Jolly was denied a "disability deferment" from her GSL when she was forced to take a semester off to deliver a child. Even though doctors advised Jolly to take the time off, the Wisconsin Higher Education Corporation and the Secretary of Education did not consider pregnancy a disability and, as a result, asked her to begin payment on her loan. With the assistance of Congressman Robert Kastenmeier, *Contact 15* communicated to the Reagan administration that by not allowing pregnancy in the disability classification, they were suggesting that abortion was the next most viable option for students with little money. After two years of research and lobbying, the "Karen Jolly" amendment became part of the federal Higher Education Act and now al-

lows pregnancy leave and both paternity and maternity leave for adoptive parents who hold student loans.

Tax Escrow Accounts. Interest rate declines a few years ago sent thousands of consumers scrambling to refinance their home loans. Consequently, many consumers discovered that there are few consumer protection regulations and that the taxes they pay each month into an escrow account are now going to out-of-state institutions. This means big problems when consumers try to pay property taxes by the end of the year in an effort to claim a necessary income tax deduction. *Contact 15* helped several homeowners negotiate the release of funds by year's end and successfully lobbied in the state legislature for passage of a bill allowing consumers the right to escrow locally if the out-of-state institution is uncooperative.

In some ways, important cases like those above were easy to find but, based on the bureaucratic and legal tangles, very difficult to report successfully. Not only were facts difficult to gather in these examples, but detailed directions were difficult to transmit to the audience in one to one and one-half minute segments. However, if a reporting operation is afforded the necessary staff and time, such stories can prove interesting and truly serve the consumer interest.

Contact 15 used a basic rule when selecting a story topic: "Is this issue of interest to the general public" and "Can we offer sufficient information to help someone identify and solve a similar problem?" We would often produce a segment that did not highlight our "solving" the problem. Instead, our focus was education on the issue. This approach is not common with most local consumer reporting operations, however. Many focus only on those issues where they have "made it right" for the consumer and are prepared to name the business as the antagonist. We are fairly certain that *Contact 15's* focus on education rather than finger-pointing led to our success and long tenure on television in Madison. ACI

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Jeanan Yasiri-Coon
News Anchor/Reporter,
WMTV, Madison, WI

CONSUMER REPORTING

FOR NEWSPAPERS

A short time ago, I was asked to speak to a group in one of our small suburb communities about a consumer story I had written.

"The story was about an Extension Service project," I said. "Maybe it would be better to get someone from there."

"Oh, no," said the woman on the phone. "We want someone famous."

"Well," I said, "I wrote everything I know in the story. They might have all read it."

"Oh, I don't think so," she said. "I don't think many people out here take your paper."

So much for fame and glory as a consumer writer.

But if the fame is sometimes fleeting, the satisfaction is always there. Consumer writing helps people, it gives them information to let them better cope with the problems—big and small—of modern life.

"I look for your stories first thing on Monday night," people tell me. "I know there will always be something I need to know." And said one man, "I feel like I've gotten a college education from reading your stories." I know that my stories have reached not only those who do take the paper but have also been reprinted in various newsletters, bulletins, class handouts and other forms throughout the state. People are, for the most part, anxious for any consumer information they can find.

My experience as a consumer writer may not be all that typical, but it can provide some insight into this important area of consumerism. I work for a moderate-sized newspaper, the *Deseret News*, one of two Salt Lake City dailies and the oldest daily newspaper west of the Mississippi. (As a side note, "*Deseret*" is an Indian word meaning honey bee that was adopted as a symbol by Utah's first settlers. Few outside Utah know what it means. My mail often comes address-

ed to the *Deseret News*, or even better, occasionally to the *Deseret Rat News*.)

In 1976, I was asked by editors at the paper to start writing a weekly consumer story, not because I had any particular consumer training (I did have a solid 4-H background and a mother who was a home economist, but my training is in journalism), but because consumerism was a "sexy" topic in the late '70s for the media. There was a lot going on legislatively; inflation and coping with higher prices were everyday concerns. As one writer said, in those days people tracked the Consumer Price Index the way sports enthusiasts followed the batting averages of their favorite players.

Consumerism was hot, and newspapers wanted to and were particularly suited to spreading the word. Action line columns sprang up at newspapers and TV stations across the country. Consumer columns were popular both locally and through the syndicates. And the *Deseret News* wanted to go one step further and provide weekly feature stories on important consumer issues.

I don't think that anyone—least of all me—thought I'd still be at it some 13 years later.

But it has proved to be a popular type of coverage with readers. Consumer journalism is no longer just a "sexy" topic or a fad, but has established itself as a solid part of both consumerism and journalism. Whereas it used to be hard to find classes that even talked about it, degrees are now offered in the field.

That's not the only change I have seen over the years. Consumerism has become broader in its scope, global in its concerns. As Esther Peterson, the grand dame of consumerism, said in her Colston Warne lecture at the 1989 ACCI meetings:

"We are also deeply concerned

about broader issues, such life-and-death issues as the air we breathe, the water we drink, the chemicals put in—and pesticide residues left in—our foods, the radiation dangers, the mounting evidence of the greenhouse effect, and all the factors working toward the destruction of the ozone layer."

It is such information presented at groups like ACCI that give me a broader scope to my work, as well. I think I am about the only newspaper consumer writer that regularly attends the meetings. And, although I often have to translate the heady scientific approach of some of the papers into layman's terms that my readers can relate to, I annually come back with at least a dozen stories and story ideas.

ACCI gives me a chance to find out the latest research, to get information on the hot issues, to meet and use the expertise of national figures.

And the fact that the paper lets me go year after year is a measure of their commitment to consumerism.

From the first, my editors have placed few constraints on my work or the topics I choose to cover. Occasionally, I am given an assignment, but for the most part I work out my own agenda.

I tend to take an informational/educational approach more often than an investigational/confrontational one to my stories. That's not to say we avoid controversy. But the time factors in producing a weekly story, and the fact that this approach has been well received by readers, mean that I'm more likely to do a story on ways to save money and grief in choosing an auto mechanic than an undercover story visiting all the mechanics in town.

Balance, objectivity and importance to the reader have been guidelines in my stories. In most cases I see myself as an educator, but in some cases I do have an advocacy role.

My editors have always stood behind our consumer reporting, I have never been told to avoid specific stories, or that I had to work with certain advertisers.

Only once that I know of has a business threatened to pull advertising out of the paper because of a consumer story. That was on buying a new car, and the dealer took excep-

tion to our advice that consumers take their time and use care in making their purchase. I don't think he really did pull his ads, but we had a heated (at least on his part) discussion about it.

The most negative calls I get on stories are always after I do something on health fraud or nutritional quackery. These always touch a chord with a very vocal "fringe" element among our readers.

In my years as a consumer re-

porter, I have covered the gamut of issues. I have always defined consumerism broadly, to include the wise management of all resources. In the late '70s, inflation and money management were frequent topics. In the late '80s, we are as apt to be talking about family strengths and weaknesses.

The one thing that has not changed over the years is that I had never have a dearth of topics to write about. But the question I am most frequently asked is "how do you keep coming

up with ideas for stories?"

I just know that as long as people live and work, buy and sell, raise families and care for the elderly, eat and diet, exercise and play, travel and stay home, there will be a need for consumer writing.

• • •

Carma Wadley Today Section, Deseret News, Salt lake City, UT

CONSUMER ORGANIZATIONS

NATIONAL COUNCIL AGAINST HEALTH FRAUD

Since 1977, concerned health professionals and consumer advocates have been waging a war against the multibillion dollar health fraud industry. Be it AIDS and cancer quackery, or nutrition fraud and food faddism, the National Council Against Health Fraud is committed to educating consumers about the dangers inherent in "alternative", "nontraditional" or "holistic" medicine.

Pick up any supermarket tabloid and you will find the cure for AIDS proudly proclaimed in a full-page ad, complete with color photographs. Read a little further and you may learn the secret of instant weight loss. Welcome to the world of quackery. In 1984, the U.S. Congress estimated that quackery and health fraud were a \$25 billion a year business, and in the past five years this figure has undoubtedly grown. Fraudulent, quack medicine pervades our society, but it is hidden with carefully sanitized buzzwords such as "alternative," "holistic", and "nontraditional".

In 1977, a concerned citizen named William Jarvis decided to fight back. Dr. Jarvis, a professor in the Preventive Medicine Department at Loma Linda University School of Medicine, and other concerned health professionals formed the Southern California Council Against Health

Fraud. The goal of the council was to bring together scientists, educators, and health and legal professionals to fight the multibillion dollar health fraud industry. Other like-minded groups began to affiliate with the Southern California Council, and, in 1984, the name was changed to the National Council Against Health Fraud (NCAHF).

The NCAHF membership includes some of the most respected health practitioners and consumer advocates in the country. It's active members include such noted "quackbusters" as Dr. Jarvis, Dr. Stephen Barrett, a practicing psychiatrist who has authored or edited 21 books on quackery including *The Health Robbers*, and Dr. Victor Herbert, noted author, speaker, and professor at Mount Sinai School of Medicine in New York. The NCAHF has also been endorsed by many consumer protection agencies including the FDA Department of Consumer Affairs. The NCAHF is a nonprofit, tax-exempt, and voluntary health agency. It is private, nonpolitical and nonsectarian. It is an authentic consumer organization because it is not affiliated with any industry or professional group. The membership logs of NCAHF show members of such varied health professionals as physicians, dietitians, and research-

ers. There is also strong representation from the nonmedical community—attorneys and consumer advocates as well as concerned citizens.

The council confronts all aspects of health fraud, quackery and deceptive "alternative" therapy, including cancer and AIDS quackery, abuses in chiropractic treatment, and diet and nutrition fraud. It works to educate consumers about health fraud, misinformation, and quackery. The council provides consumer complaint referral services and a speakers bureau offering lectures on health fraud and quackery to consumer and professional groups. The NCAHF publishes a well-respected newsletter on health fraud, and offers what may be the most significant and powerful tool in fighting quackery yet, the NCAHF Task Force on Victim Redress. This task force will help victims of quackery obtain qualified legal assistance, as well as serve as a information hub for attorneys needing facts on health fraud. The letter includes a registry of expert witnesses and information on class action suits.

Those Consumer advocates who would like more information on the NCAHF should write: The National Council Against Health Fraud Inc., P.O. Box 1276, Loma Linda, California 92354.

CONSUMER ORGANIZATIONS

HALT

The U.S. legal system does not serve the legal needs of an estimated 100 million Americans. To blame are its obscure language, its maze like processes and its expensive, limited options for getting help or information for even the most routine legal matters.

It was to address these problems that HALT was founded 11 years ago. Based in Washington, D.C., HALT—An Organization of Americans for Legal Reform is a national nonprofit, consumer interest group of 150,000 members dedicated to enabling people to manage their legal affairs simply, affordably and equitably.

HALT engages in both public education and reform advocacy. It seeks to make consumers self-reliant and informed users of legal services by publishing self-help materials written in plain everyday language. HALT's widely acclaimed series of *Citizens Legal Manuals* explain basic legal principles and procedures and the laws in all 50 states. Eight titles now in print range from *Using A Lawyer*, describing how to shop for, work with and manage attorneys, to such task-oriented books as *Probate, Estate Planning, Divorce, Small Claims Court and Real Estate*. Other titles focus on research tools (*Using the Law Library*) and how the legal system works (*Courts and Judges*).

HALT also publishes an *Everyday Law Series*, a looseleaf binder of brief, specific legal guides on declaring a bankruptcy, changing your name, collecting debts, mediating a divorce and dozens of other tasks. From time to time HALT also pro-

duces more specialized self-help materials, most notably *After the Crash*, a legal information portfolio for victims of airline disasters.

No amount of consumer education alone will bring legal services to the millions now unserved, however. To provide such access, HALT believes consumers should have a wide range of options to select from in meeting their needs and that this should begin with lifting the present lawyers-only restrictions on who may "practice law." Ending such prohibitions would foster healthy competition, provide more consumer choices and drive down costs. A special committee of the California State Bar agreed when it recently urged that nonlawyer "legal technicians" be allowed to provide all out-of-court legal services. HALT's other reform goals include:

- Assuring consumer protection against incompetence and fraud by replacing self-regulation with public control and accountability in the disciplining of lawyers and judges. HALT reform proposals are currently being implemented in the attorney discipline systems of Florida, California and other states.

- Developing standard do-it-yourself forms and simplified procedures for routine legal matters. Recent HALT lobbying in Maryland helped pass legislation that will require court clerks to provide consumers with plain-language instructions and help with probate forms.

- Creating pro-consumer alternatives to the tort system, such as direct compensation systems that guar-

antee swift and fair payment to those injured. Prime examples are a recently enacted federal program to compensate those injured by childhood vaccinations and a Virginia program offering a direct compensation option for infants injured at birth.

On these and other reform issues, HALT prepares and distributes research reports, position papers and national surveys to the media, legislators, consumer advocates and other key opinion leaders and decision makers.

As with any consumer movement, people must become personally involved. HALT's activists, organized as locally-based Action Committees, monitor bar and legislative activities, testify at hearings and stage public events to focus attention on citizens' concerns.

HALT's funding comes from member contributions. Board policies prohibit accepting contributions from the bar or insurance industry. Members represent a cross-section of social, political and economic backgrounds: consumer advocates and scholars; paralegals, lawyers and judges; doctors and other professionals; teachers and students, and a host of working and retired Americans.

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For a \$15 annual contribution, members receive a quarterly magazine, *The Legal Reformer*, the manual, *Using a Lawyer* and access to HALT's other publications. Call or write: HALT, 1319 F Street N.W., Suite 300, Washington, DC 20004; (202)347-9600.

BOOK REVIEW

ELECTRONIC BANKING

Jeremy Mitchell (1988)
Electronic Banking and the Consumer—The European Dimension.

I well remember some of my bad experiences with the first generation of ATMs in Europe. Perhaps the most memorable one was an odyssey that started in Romford, in the far North East of London. I was out of cash, having overspent at the open-air market there, and I needed cash for Saturday night at the pub ("no checks please, we're British"). I hit the first of a string of "out of order" machines in Romford. Then I used my Red Bus Pass to trek to Barking, Upton Park and Leytonstone, before I finally found a machine that worked in Ilford—a long and arduous journey through some of London's less attractive sights. The machine grudgingly coughed up 20 pounds, in exchange for my card, which it gleefully swallowed. This kind of adventure was not uncommon among my acquaintances. On this occasion, it used up a half day of my weekend.

In view of this, I was pleased to read in Jeremy Mitchell's concise (64 page) book that the situation is much better today. The technology of ATMs has improved, and the development of linking networks means that consumers can use their cards at ATMs at financial institutions other than the one issuing their card. Electronic banking has developed to the point where the European Community is considering plans to enable consumers to use not only cash cards, but also payment cards throughout member countries. Homo Electronicus Bancarius is on the rise, and a cashless European society is a step nearer.

The status of the electronic banking in Europe on the eve of possible new directions in Electronic Funds Transfers at Point of Sale (EFTPOS) is actually the focus of this book. EFTPOS terminals can be used to pay electronically for goods and ser-

vices, using payments cards, charge cards or debit cards. EFTPOS has developed furthest in France, where, Mitchell reports, there are now terminals in some 60,000 retail outlets. Other countries following suit include Denmark, Belgium, Germany, The Netherlands, Italy, Ireland and the UK.

The initiative in the growth of EFTPOS has come from banks, driven by potential savings in clearing paper-based transactions. Retailers also stand to benefit, primarily through reducing the cost of handling checks and cash, though the extent of this will depend on whether consumers go for EFTPOS in a big way, and on the commission charged by banks for using the system.

While Mitchell's book purports to be "a consumer balance sheet of electronic banking weighing up its advantages and disadvantages" (p.1), the consumer factor emerges largely as answers to questions developed in the broader context of the legal framework of current developments. The legal framework, as might be expected in a multinational context, is, to use an English expression, a right old mess. Basic questions on payments and privacy are either not addressed by individual nations or are addressed in different and confusing ways. The consequences of ambivalence on privacy are far-reaching, given the advent of EFTPOS. Mitchell reiterates a concern of Yves Poulet (1987): "the information value to the bank or other financial institution of a payment made electronically is far greater than that of a payment made by cheque or cash. This information value could, without adequate controls, lead to a market being created in which personal financial and/or lifestyle information might be traded" (p.31).

In the absence of a statutory framework for electronic banking, Mitchell reports that banks and other financial institutions have drawn up extremely one-sided contractual

terms and conditions of use for payment cards. Both the European banks and The European Commission are in the process of developing standards to cover technical and consumer protection aspects of electronic banking, but as yet the evolution of electronic banking in Europe has taken place without the benefit (if that be the perception) of the oversight of a single central bank. There is no equivalent of the Electronic Funds Transfer Act and Regulation E for the European Community as a whole.

Mitchell closes with a series of policy recommendations for an EFTOPS Europe. From a U.S. standpoint, a more interesting note on which to close would be Mitchell's assessment of the Electronic Funds Transfer Act, given in the context of the more rapid but more confusing ATM developments in Europe. "Many bankers are critical of this (EFTA) pre-emptive approach to electronic banking legislation, saying that it distorts development and constrains the ability of financial institutions to respond to consumers' needs. However, while nobody would claim that the legislation is perfect, it is remarkable how well it anticipated many of the consumer problems that emerged subsequently and provided working solutions to them" (pp. 14-15).

Mitchell's book has the advantage of succinctness but is geared, as the title suggests, to the European dimension.

(1988). Facts for consumers: Electronic banking. Washington D.C.: Office of Consumer and Business Protection, Federal Trade Commission.

Mitchell, J. (1988) *Electronic banking and the consumer—The European dimension.* London, UK: Policy Studies Institute.

Poulet, Y. (1987) *Transfert électronique de fonds et protection des données a caractère n.* Sixth European Workshop on Consumer Law. Louvain-la-Neuve, Belgium.

♦ ♦ ♦

Richard Widdows Associate Professor,
 Consumer Sciences and Retailing
 Department, Purdue University

AMERICAN COUNCIL ON CONSUMER INTEREST

STRUCTURE

Established in 1953, ACCI is a non-partisan, non-profit, incorporated professional organization governed by elected officers and directors.

Committees work on issues in such areas as consumer education, consumer research and international consumer affairs.

Student Chapters are located at various colleges and universities across the country. The Student Newsletter is published several times a year.

PUBLICATIONS

The Journal of Consumer Affairs, an inter-disciplinary academic journal, is published twice a year. The JCA focuses on scholarly research and professional thought on consumer policy, consumer education, consumer economics, and consumer behavior.

Advancing the Consumer Interest, also a semi-annual journal, is a new journal focusing on the application of knowledge and analysis of current consumer issues. Consumer educators, policy makers and consumer affairs professionals in colleges and universities, government, business, extension, secondary schools, and news media will find *ACI* a rich source of readily useful information.

The *ACCI Newsletter*, published nine times a year, offers information on the latest developments in the consumer field. Legislation and other government activity, consumer action programs, conferences, educational opportunities, and annotated announcements of books, articles and visual aids are included in each issue.

Career Opportunities

Announcements, published as an insert in the Newsletter, provide information on current positions available in the consumer field.

CONFERENCES

An Annual Conference is held each spring and features keynote speakers, papers, research findings, reports of consumer articles and education programs. The Colston E. Warne Lecture Series is a conference highlight, and has included presentations by distinguished consumer leaders such as Joseph Belth, Kenneth Boulding, Stephen Brobeck, George Brumm, Gwen Bymers, Anwar Fazal, Betty Furness, Mark Green, Mary Gardiner Jones, Rhoda Karpatkin, Sidney Margolius, James Morgan, Barbara Warne, Newell, Jeffrey O'Connell, Michael Pertschuk, Esther Peterson, and Jerry Voorhis.

UPCOMING CONFERENCES

1990 (3/28-31): 36th annual;
New Orleans, LA

1990 (8/9-11): Second International
Conference on Research in the
Consumer Interest;
Snowbird, UT

1991: 37th annual; Cincinnati, OH

1992: 38th annual; Tucson, AZ

1993: 39th annual; Lexington, KY

AWARDS

The Applied Consumer Economics Award is given annually for a scholarly paper addressing a practical problem.

The Distinguished Fellows Award honors consumer leaders having given longstanding service ACCI.

Thesis/Dissertation Awards recognize graduate students for their outstanding research.

The Stewart M. Lee Consumer Education Award acknowledges outstanding teaching, research, and service.

The Russell A. Dixon Award is given for the best paper appearing in *Advancing the Consumer Interest*.

RUSSELL M. DIXON AWARD

Papers published in *Advancing the Consumer Interest* will be automatically considered for the Russell M. Dixon Award. The first award will be given to the author(s) of a paper published in either the first or second issues of Volume 1. The award will be announced at the 1990 annual ACCI Conference in New Orleans in March.

The Guidelines for the Russell A. Dixon Award are as follows:

1. The Russell A. Dixon Award, in the amount of \$200, is established for the best applied paper published in *Advancing the Consumer Interest* each year.
2. An award need not be given if no paper qualifies.
3. The *ACI* Editorial Board is responsible for selecting the recipient and announcing the winner at the annual conference and in *ACI*.

The Editorial Board members who constitute the award committee are the three associate editors:

- Robert Kroll, Rock Valley College, Award Committee Chair
- Rosella Bannister, Michigan Consumer Education Center
- Julia Marlow, University of Georgia

UPCOMING ACCI CONFERENCES

AMERICAN COUNCIL ON
CONSUMER INTERESTS
36TH ANNUAL CONFERENCE

New Orleans, Louisiana
March 28-31, 1990
Loren Geistfeld, Program Chair
for more information contact
Anita Metzen, Executive Director, ACCI
240 Stanley Hall
University of Missouri
Columbia, Missouri 65211
* * *

THE SECOND
INTERNATIONAL
CONFERENCE ON RESEARCH
IN THE CONSUMER INTEREST

Conference Theme: Enhancing Consumer Choice
Location: Cliff Lodge in Snowbird, Utah
Dates: August 9-11, 1990
Submission Deadline: December 1, 1989

All ACCI members and others interested in consumer research are encouraged to attend. Conference attendance is not restricted to people who are presenting papers. For people unable to attend, there will be a published proceedings of the conference.

For more information
about the conference, please contact:

Robert N. Mayer, Chair, ACCI Research Committee
Department of Family and Consumer Studies
228 Emery Building, University of Utah
Salt Lake City, UT 84112
(801) 581-7712
* * *

UPCOMING IN ACI

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Lessons for Consumers
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by Marlene S. Stum
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How Can Injuries be Reduced
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Claudia Peck
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ARE FAMILY
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PROGRAMS
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