

THE MICHIGAN CONSUMER ASSOCIATION-
A STATE PROGRAM WITH A FULL-TIME STAFF

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If there is any uniqueness about the Michigan Consumer Association among state-level consumer organizations that justifies inclusion in this program it's the fact that it has attempted to finance the operation of a full-time executive and secretary. Two assumptions sparked this beginning: One, that volunteer state-level programs had had limited success and, two, that Michigan's strong credit union and labor movements would support such a program financially through local labor and credit union memberships. All of which reminds us of the oft-repeated tale of the backwoods gas station attendant who, after several faulty and confusing starts at trying to give directions to a particular spot to a lost tourist, finally gave up with the remark, "You shouldn't start from here!" Experience to date suggests the Michigan Consumer Association should not have started from here, at least when it did.

"Here," in this case, would be last July when MCA opened its office. The labor movement was completely absorbed with the presidential election campaign and in no mood to promote any other "cause" that might distract from the larger issue. Financial support until after the November election therefore became mainly the financial responsibility of the Michigan Credit Union League. Its generous support gave us time to conduct membership campaign among the local credit unions. About the time this drive was reaching full steam a devastating incident occurred. The managing director of the League, who happened to be the founding father of MCA as well as its president, was summarily retired by his Board after 17 years of service. Thus both of our chief anticipated lines of financial support were short-circuited in our first months of operation. Subsequent solicitations within both the labor and credit union movements, accompanied by continuous programming activities, have resulted after 8 months of operation in memberships from about 10 per cent of the local credit unions and labor unions of the state and in funds equivalent in amount to the same percentage of our operating budget. Summarily, what started out as a venture in faith turned out to be a fiscal fantasy.

At the risk of belaboring the matter, I dwell on this point for several reasons. For one thing our experience confirms that of veterans in the field that there is nothing that progresses in this world more slowly than adult education. Secondly, unavoidable preoccupation with the financial problems of the organization cuts deeply into staff-time available for producing program which, in the end, is the stuff which attracts membership support. Finally, the preceding excursion into MCA's fiscal follies is presented here to provide a perspective upon which to evaluate whatever we have been able to accomplish in the time we have been in operation.

The purpose of the Michigan Consumer Association is to promote consumer education, legislation and research. Educationally, our fundamental role has developed as one of revitalizing and coordinating already existing "paper" consumer programs in a number of organizations, including the labor and credit union movements, the American Association of University Women, Y.W.C.A., Home Economics Clubs, churches, and so on. Everywhere we have been received eagerly to cooperate either in setting up exclusively consumer-problem workshops and institutes or to include consumer information along with other subjects to be given attention. In spite of formal provisions dating back a number of years for such programming in most of these organizations, only a very few of them had done anything in the consumer field until MCA came along with the personnel and material to do something about it. Besides workshops, institutes, and conferences, articles on various consumer problems have been supplied every other week for one church weekly. We have also inspired or ghost-written material for other journals and communication media, including radio and TV.

Of special interest here might be the subject-matter that has aroused the most response in the community. Prepared to run the gamut of interests initially, our efforts have provoked the most response in areas related to the use of installment credit, such as credit costs, wage judgments, garnishments, debt pooling, personal bankruptcies, etc. In a class by itself has been the concern registered over credit costs, in spite of the fact that Michigan, comparatively speaking, has good legislation covering small loan companies and used-car dealers. For example, the one article in the church-publication series that has been reprinted and distributed widely was on installment-credit rates. Similarly, the only subject among our periodic releases to the daily press that has received wide coverage by the metropolitan dailies was one on the same subject.

The costs of installment credit, moreover, has provided the key by which to gain entrance into the formal educational circles of our public and parochial schools and our colleges and universities. Representatives of MCA appear with increasing frequency before senior classes, student clubs and P.T.A.'s. These experiences have taken us, in turn, to the Schools of Education with impressive evidence of the appalling economic illiteracy of both teachers and students and the need of including more relevant (and accurate) consumer information than presently is provided. Our reception in these quarters has been one of the most rewarding phases of our work.

Second to the reception our educational program in credit costs has aroused has been a modest bit of research forced upon us by a local situation; namely, the requests by Blue Cross and Blue Shield for new rate increases of 22 and 13.5 per cent respectively after having received an 11 per cent increase less than a year ago. From among a mass of testimony before the insurance commissioner, ours, calling for more

internal supervision and controlling consumer representation at the Board levels, received the front-page banner headlines and column-eight story. If any one item has brought our organization to the attention of the general public, this is it. The commissioner himself has approached us for additional information to help him in making his decision.

Our efforts in the action-research area have been limited to one other field, debt pooling and pro-rating. Detroit has been singled out nationally as one of the worst examples of racketeering among unregulated and non-licensed debt-poolers and pro-raters. With the cooperation of one of the few respectable local operators in this business, a spot study of his files was made which revealed that a third of his clients were members of credit unions. As a result of this study and under the supervision of the writer, a group of credit unions in the Detroit area has financed the organization of League Budget Service to handle the financial problems of this group of debtors on a constructive, non-profit basis. It is anticipated that this program will be duplicated in other areas of the state.

Moreover, and this moves us into the legislative phase of MCA's operations and suggests the interdependent aspect of educational, legislative and research efforts on a specific consumer problem, we have been responsible for the introduction into the Michigan legislature of bi-partisan bills to bring these commercial operators under state regulation. The reception these bills will receive by the legislators will depend upon the educational job that can be done with rural representatives totally unacquainted with urban debt pooling racketeering.

Of chief significance legislatively for MCA, however, is the appointment of a consumer representative attached to the Governor's office. Our newly-elected Governor came into office with little knowledge on the subject. As a result of conferences with him on this matter, he has included a request for such a position in his budget. Strategy on getting approval for this position past a very conservative legislature at a time when Michigan's fiscal problems are a subject of national attention has yet to be determined. If we are not successful this year at least we have the consolation of having played a significant role in the new provision of a Division of Consumer Protection in the Attorney-General's office.

The foregoing constitutes, then some of the highlights of the first eight months of operation of MCA. To the participants of this conference, we should hope they would appear encouraging. To the individual consumer, however, whose membership dollar is needed to continue the program, a recitation of the above has not been sufficient to win his financial support. Invitations to join usually provoke the same question, "But what will I get for my money?" What is desired and expected is some immediate tangible service, without which, Dr. James Morgan of the

University of Michigan maintains and our experience would confirm, no consumer organization can sustain itself. If state consumer activity of this type is essential, and we are convinced it is, a distinctive contribution of this conference might well be the development of a strategy for financial support of such an organization in one state for a two-year period to provide time to justify its worth to the community and/or to develop a service-area that would enable it to sustain it thereafter.