

A CONSUMER LEADER CONSIDERS GUIDANCE PROCEDURES

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In November, when I was asked to talk to this group on "Problems in Guiding Consumers Toward the Intelligent Use of Consumer Credit, Based on my Experience as a Leader in Consumer Groups," I knew I would have to go into a real huddle with myself. I am not, I think, the most retiring or modest of our St. Louis group, but I am grown up enough to realize that some things I still do not know, and I have a keen feeling about this particular group. I feel, and have felt from the first time I attended one of these conferences, that in both the literal and implied sense, this group can only be characterized as "professional" and I feel no assignment to this program should be taken lightly.

But I am very interested in this problem. I came home from the conference in Minneapolis last year with Mrs. Klamon and Mrs. Weir and we talked most of the 600 miles about the fact that this was an issue... not new in its existence...but new in its importance.... which might serve as an entirely new approach to consumer interest and education of adult consumers.

We had not ignored the problem in the St. Louis Consumer Federation. We frequently carried items...even articles, in our Bulletin. We listened to speakers. We took an active interest in both state and national legislation. But we did little outside our own membership group. And even in this group...unusually consumer-minded, we think...the matter did not seem to attract the attention I thought it deserved. We were not of one mind about it. Oh, everyone agreed that the "fly-by-night Shylock" of the small loan business was a horror. And that the practices of the borax furniture houses and the automobile finance companies were frequently immoral if not actually illegal. But we did not agree on the basic problem. Some of our members are able to say...and live with it, "I will do without unless I can pay cash. No one is going to get me to pay robber interest." Of course, this is not true of all of us. Some of us bought a few things on time...and tried to be intelligent about it...and I would not be at all surprised if some of the best intellectual of us did not fall prey to the same psychological problems that the rest of America has responded to in this "buy now-pay later" program which has become the modus operandi of our country.

I know that some of my consumer friends were shocked when I said I felt that a trip around the world was one of the most justifiable of expenditures on the go now-pay later plan. These friends were not impressed with my reasoning that the earlier one was able to make such a trip, the longer it would add value, color and understanding to the traveller's life. I thought few things were sadder to contemplate than the picture of a group of past middle age travellers, wearily going from

one hotel lobby to another, all around the world, discussing their feet. It would not, it seems to me, be such a burden to keep on paying if one had adequate memories.

My son was surprised when I told him he should buy a clothes dryer. He said he couldn't afford it and he wouldn't buy it on time. "We will have to wait," he said. "Wait until when?", I asked. "Until these children are past the diaper age? Watch for the sales, after you have intelligently determined what you want, make your time-payment intelligently, and you may not pay too much 'extra'. But have it while the need is great." You see, I too, have fallen for the propaganda of a "dollar down, a dollar a week". Some time payment purchases are justified.

It has been long recognized that purchasers are not consistent about financial problems. Most consumers consider buying a home on credit a most intelligent move. They do not consider this going into debt, but making an investment. Not so going into the credit department of a store to arrange to pay \$10 down...\$5.60 a month ad infinitum. By the time the consumer is at this point, he is committed to the sale, and he will be embarrassed if he is turned down. He is reluctant to ask too many questions. And not quite mature enough to realize that the seller would rather have the sale on credit than by cash. Much rather.

In view of the fact that our entire economy is geared to "buy now-pay later", it is almost unpatriotic to think of a consumer group advocating that people should learn to live within current income. Or to try to get people to listen to an academic discussion of what "interest" buys in the economic term of gross national product. It is almost impossible to get consumers aware of their personal stake in this problem. It is useless to hope they will be concerned in the effect of this practice on employment, over-all standard of living, etc. So how to tackle the problem? How could a consumer group like the St. Louis Consumer Federation, for instance go about creating an "Interest in Interest"?

The first point of attack seemed to be on the legislative front. In this field we are able to act. Unlike groups of educators and publishers who must, for very good reasons, stay out of the pressure field, it is one of our most important reasons for existence. We have made our views known to state and national representatives in the past and we shall continue to do this. But we are not important politically. Perhaps our greatest service is in trying, through our bulletin and our membership, to get other, and more powerful organizations to act. Our group is composed of individuals from many more powerful groups. Some of these people are official delegates from their organizations, and some of them are active in some group and interested in consumer problems. They represent racial and religious groups, labor organizations, professional groups, women's clubs. We have frequently, in the past,

been able to secure assistance from some of these organizations. Their primary interest may be directed elsewhere, but when the interest of any of these important organizations is aroused along consumer lines, our legislative representatives are impressed.

I do not think this is enough to do. But this fine program has been filled with specialists in the education field who are attacking this problem on that front. I am sure the professionals will do it better than we can. There are a few things I would like to see done, and that I feel might be helpful. Publicity...that is, newspaper publicity would be of little value in this matter except insofar as it might affect the course of legislation. Radio and TV publicity might be helpful but little time for programs of this nature is available, and it would only be effective if properly organized and presented. For years all of us have used the "average family" and the "typical family" to illustrate the need for some reforms. I should like to see something done which would graphically show just what the typical 1961 family is spending in interest...see it broken down, if you please, and then show what percent of the income is being used before it is earned. But such a study might not be worth while. It would be difficult, if not impossible, to get TV time for it, and the only periodicals which would be really interested in doing it well would be the sort that are not read by that portion of the adult population which is paying the interest bill.

My conclusion is not that the problem is hopeless, but certainly it is a big one. Probably the sum of all the activities in this field is having more effect than we can measure. But it seems to me to be a problem which can not be solved only by education. We must, sometimes, protect people when they do not protect themselves. And the legislative route is the most effective tool to accomplish this. And we of the St. Louis Consumer Federation will continue to fight for a legislative program which will help.