

1. We are living in a global society. Consumers need to know that their daily purchases imported from a variety of nations are but a microcosm of the vast linkages among all nations on the planet. The effects of global pollution of air and water, the development of space travel and germ warfare are consumer challenges on an international scale.

2. We are living in a rapidly changing economy. Traditional economic viewpoints are being questioned as traditional strategies (e.g., raising interest rates to slow the rate of inflation), fail to produce their intended effects. Consumers tend to feel the effects of such inflation in high prices without having adequate knowledge of how the system works. They find it difficult to make judgements about variously proposed solutions.

3. People seem to be getting less satisfaction from buying. Economists point to the gradual middle-classification of society as having an impact on consumption behavior. Increasing one's status is losing ground as a motive for consumption since everyone moves forward together. Standardization of goods makes them increasingly joyless to consumers. Consumers need to make judgements with greater self-knowledge about their individual consumption and to be more aware of its social consequences.

4. Information about consumer goods and services is increasing rapidly. The knowledge explosion has struck all areas of life. In consumer areas, the knowledge explosion makes decisions and appropriate actions increasingly difficult. Consumers need conceptual skills to deal with complex and information-laden areas, so that a common frame of reference can be utilized in a variety of circumstances.

5. Goods and services are now being provided by public and private sectors alike. Government intervention in the economy now frequently takes the form of changing an enterprise from private sector to public sector, or vice-versa. The consumer can become a part of such decisions if properly knowledgeable.

6. Employment and consumption are increasingly taking place in the area of services. This presents consumers with a new area in which their participation is warranted in order to achieve (1) a heightened sense of accountability on the part of the services, (2) new forms of payment, and (3) new certification systems to measure performance.

7. A new politics is emerging within the consumer movement. Community consumer organizations, advocates for the consumer interest on all levels of exchange with business and government, have moved beyond the politics of the electoral system to protect and advance consumer goals. Their strategies now include obtaining adequate legislation through lobbying elected representatives, boycotts, and consciousness raising.

8. As the economy and political scene change, the consumer is increasingly oppressed. He/she is oppressed by all the facts mentioned in the

previously cited Sentry Insurance Company study, Consumerism At The Crossroads--more impersonal services, poor quality goods, higher prices, and lower availability.

9. Women are working in ever greater numbers. The situation no longer exists where one half of the country needs to be educated in home management. In the first place, home management is fast becoming a task undertaken by both sexes. In the second place, the vast implications of this societal trend for consumer education have only just begun to be felt.

An educated consumer, one who has received some formal schooling regarding issues of consumer importance, has learned about form. Form means bringing order and selection to the process of being a consumer so that the effects of schooling are intensified. Formal science brings principles into sharp focus. For example, literature uses language with precision and sensitivity, and serious art, especially as it has been selected and preserved over long periods, gives vivid expression to extraordinary feats of imagination. Interpretive and reflective activities on the part of the consumer can yield greater power to interpret experience. Interpreting is as native to us as seeing, hearing, or tasting. To "understand" is to recognize concepts and to generalize to other concepts. To understand an earthquake is to interpret it in terms of shifting substrata of earth and rock; to understand inflation is to interpret rising prices in terms of the supply of money, goods, customers, etc.

Interpretation can be routine and stereotyped or it can be sophisticated, creative, and imaginative. Education is supposed to move individuals toward the sophisticated, creative, and imaginative level of interpretation. Possession of these interpretative abilities should create broader perspectives for the educated person when compared to the untutored person.

Education should allow individuals to place events and problems into a wider context and to be aware of the complexity and limitations of solutions. Applying the same philosophy to consumer education, the educated consumer should be able to examine economic issues and topics with sophisticated powers of interpretation and to construct creative forms of alternatives and actions for consumption and non-consumption.

While the formal institutions of learning (colleges, schools, LEA's, and SEA's) can be charged with having fallen victim to the time lag problem in areas of consumer education, the community-based organizations in the field might properly benefit from the advantages of more formalized learning, giving the consumer both the skills and the perspective necessary to be truly "educated."

The increasing complexity and size of the marketplace, the expansion and growth of certain areas of consumption and of corporate power place new demands on the educational systems of the country. The consumer is not educated in the true sense of the word if he/she disregards the context in which

consumption or non-consumption takes place, if he/she disregards emerging issues vital to the consumer's interest: energy, utility rate setting, the health education and legal systems, regulatory agencies, international affairs, food prices, inflation and jobs.

Just as importantly, consumer education ought to take account of the complexity of repercussions which follow the act of consumption, both individual and social. The field cannot continue to disregard problems which have to be settled by public authorities or social solutions which are outside the formal market structure. Consumer education is not alone in its failure to deal with "real life" issues in the classroom or to train students in appropriate forms of action to improve their situation, but it certainly falls into line with several other disciplines which also fail to do so. And as a field, it is dependent on several disciplines: economics from which it derives the stereotypical rational consumer in a truly motivation all from the standpoint of production; and political science with its conceptual view of the American political system often so far from reality. While there is a place for the theories of these areas in consumer education, theory does not serve if it fails to explain or provide a framework for understanding what is actually happening.

Consumer education can assist people to develop a plan for the future that anticipates social needs and makes consumers a force for change. One element of such a plan ought to be that consumers be given greater weight in the myriad decisions of our institutions and that consumer be given a role in the decision process. Adult consumers should work toward a more controlling role over the nation's information transfer technology (TV, newspapers, magazines and others) which has become a vehicle for implementing the resource decisions of our institutions regarding the nature, availability and quality of products and services.

An approach to educating consumers which we underscore is derived from Alan Gartner and Frank Riessman's (1974) emphasis on developmental curriculum and Paolo Friere's (1970) stress on learning as "de-mythologizing society". Consumer education curricula ought to be constantly evolving, while including some standard elements spelled out in the final section of this paper. Consumer education can strip away some of society's veneer which masks its true nature and which renders the consumer powerless by cloaking the truth.

III. Major Topical Gaps

There are certain topical gaps in consumer education and while they can be easily listed here and duly noted in journals, they will only be remedied by the production of new materials and approaches which assist the teacher to present them in the classroom. The major topical gaps we identify here:

● CONSUMER IDENTITY

Topics reflect too narrow a view of the consumer role and function with overemphasis on buying and individual consumption.

● CONTEXT OF CONSUMPTION

Topics reflect too close an alliance with the fields of economics and home economics with a resultant irrelevance of dryness of concepts and topics; not enough reliance conceptually on political science, anthropology, and sociology with their more dynamic thrusts for purposes of consumer education.

● SOCIAL CONSUMPTION

Topics are too focused on buying and too individual in scope. The social context of consumption, its roots as well as repercussions, and social consumption itself, are ignored.

● CONSUMER ACTION

Current topics reflect too passive a way of looking at the consumers role.

We turn now in order to each of the above topics.

1. CONSUMER IDENTITY

The educated consumer has a strong sense of him or herself as a consumer and a understanding of his or her broad role. There should be in consumer education, a whole range of topics dealing with consumer interests which enables the student to develop the ability to identify the precise consumer interest in each situation. Consumer education has frequently failed to clearly teach consumer identity. The result has been that individuals leave school without concretizing and interiorizing their consumer role. Included in such a role is a sense of conflict at certain levels with the business community and with other interests.

The consumer's role is perhaps best defined functionally. Consumers will develop a sense of their unique role, their political clout and special interests over against other interests of business, labor and government. They will develop their roles by having dealt with a series of current situations which are people rather than problem-derived topics. The orientation of curricula will expand the students concept of consumer roles. As Fred Wilhelms has put it, "It is the goal of consumer education to help individuals improve their role as allocators of resources and as purchasers-consumers of the world's products-to-help them achieve a satisfying life style that is in harmony with the world." Consumers must comprehend the alternatives available to them, what choices mean, what the consequences of their actions will be--not only in personal terms but also in terms of the effect on the larger world society.

2. CONTEXT OF CONSUMPTION

The educated consumer understands the context of consumption from the perspectives of political science, sociology, and anthropology, as well as from the perspective of economics.

Curriculum gaps in consumer education call for the inclusion of other disciplinary perspectives. Too often, economics is called upon to provide the only perspective. Inclusion of the perspectives of additional disciplines can enrich and broaden the consumer understanding of consumption.

Cultural anthropology topics might add studies of consumption in other societies and of alternative economic systems. Applied anthropology activities might well lead to the inclusion of consumption-oriented topics with an anthropology flavor. Activities which examine community consumption patterns might teach students some "grass roots" perspectives on: barter, reciprocity and redistribution, advertising occupational roles, luxury items, wear patterns and obsolescence.

Political science concepts and topics might deepen the conceptual framework and lists of topics. Research has pointed to the growing importance of consumption as a basis for group interests. Consumption activities are political statements in themselves. Consider national political issues as an example. Historically, addressing national problems primarily entailed citizen involvement as workers (work harder, work longer) and as soldiers (enlist, fight). Now political leaders call upon the citizenry to take action in their role as consumers; to conserve energy, to avoid dependence on foreign governments to buy American products, to decrease unemployment, and to recycle beverage containers to reduce litter.

Consumer education would do well to include topics which lend emphasis to the current formation of new coalitions on the basis of commonalities as consumers or at least shared consumer interests. Consumption is becoming more political in character, for it is the major arena in which citizens encounter the government. The citizen encounters government bureaucracy with respect to taxes and transfer payments, and experiences the conflict between business and government in the debate over regulation. So, some attention to the concepts and organizing principles of political science ought to be considered when deriving a new list of consumer topics. Concepts such as power, political strategies, special interests, and political parties-can be developed and presented from a consumer perspective.

3. CONTEXT OF CONSUMPTION: SOCIO-POLITICAL FRAMEWORK

The educated consumer sees consumer decision-making as both individual and social, and as situated within a socio-political framework.

Too many traditional consumer education topics deal with individual decisions about consumption as if they take place in a vacuum. Rarely are the personal life style or social implications drawn out in lessons on "buying your dream house" or "planning your wedding". Such emphasis treats consumption as a largely female activity and as one which leads to individual fulfillment without consideration of communal goals or life-process perspectives.

4. CONSUMER ACTION

The educated consumer acts to change the conditions under which consumption takes place; and to create alternative forms of consumption.

The draft taxonomy of concepts developed by CEDP places "Consumer Citizenship" concepts on a par with those dealing with "Resource Management". This has the proper effect of giving increased value to topics which relate to consumer action; redress, obtaining legislative protections, joining consumer organizations and mobilizing consumers for action.

Consumers often have more than enough information. They need to be taught what to do with it. Topics which involve students in learning to recognize consumer problems, to analyze solutions, to organize in a productive way, and to use legislative, judicial and administrative processes to initiate change when necessary are needed.

IV. Conclusion

It is curious that the words "curriculum" and "current" share a common origin; curious because so much of what we call curriculum is far from current. Consumer education is no exception at the moment, but it might well become one. It is a field well situated to provide learning experiences rooted in the real world. But it must adopt a new agenda and a new list of topics which deal with individual and social consumption, action rather than inaction, which place consumption in the context of real world happenings. In short, it must return to its roots in the consumer movement which utilizes the media to educate government as a force for change, and business as a reason for doing so.

In taking such a course, consumer education will be on track again, dealing forcefully with today's topics in a way applicable to the future.

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140 MILLION FORGOTTEN CONSUMERS -- THE LIFE
INSURANCE POLICYHOLDERS OF AMERICA¹

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Abstract

The life insurance disclosure movement has focused almost entirely on point-of-sale disclosure, to the virtual exclusion of post-sale disclosure. Life insurance companies are therefore under pressure to provide attractive point-of-sale information. Some of the methods used to achieve this objective adversely affect long-time policyholders. Emphasis should be placed on the need for post-sale disclosure, policyholders should be educated on how to perform their own evaluations, and publicity should be given to actions of companies that take steps to improve the position of long-time policyholders.

Opening Statements

I am gratified indeed by having been given this opportunity to present the fourth annual Colston E. Warne lecture in honor of this farsighted consumer leader. For the 35 years that I have known about his work, Colston has been not only an economist of the classroom but an economist of the people, working for the public benefit in Washington, in the state capitals, among labor unions, settlement houses, housing developments and consumer co-ops across the country. Colston, with his well-stocked brief case and willingness to speak to ten people or a thousand people anywhere is our leading preacher-teacher. He organizes not only for Consumers Union but for all the other national and local consumer groups that seek his help, including your own American Council on Consumer Interests. I have often envied him his energy but never had to envy his knowledge, for he shares that with all of us. Today many people claim to speak for the consumer. But I can testify that not many speak with Colston's accuracy, wisdom and unselfish dedication.

President Jean, program chair Mary Dee, executive director Mel, former boilermaker Loren, other ACCI officials, members, and friends:

Some of you may have detected two errors in my opening statement. This is the ninth annual Colston Warne lecture, not the fourth. And I am much too young to have known about Colston's work for 35 years. I have known about his work for only 25 years. The reason for the errors is that the opening statement is not mine. The statement was made five years ago -- in Kansas City on April 4, 1975 -- by the late Sidney Margolius. For all of us who knew Sid -- and I was one of

those who had the good fortune to have visited him and experienced the warmth of his home on Long Island -- his recent death was a tremendous loss. He will be sorely missed by the consumer movement.

I am gratified indeed to have received the invitation to present this lecture in honor of Colston. Suffice to say that I agree with everything in Sid's opening statement -- except for the two numerical discrepancies.

Background

My primary interests for the past 20 years have been: (1) the measurement of life insurance prices from the consumer's point of view, and (2) the disclosure of life insurance information to consumers. Certain developments in the past ten years suggest that the efforts of those of us working in these areas have begun to bear fruit. But certain developments in the past few years suggest that the fruit may turn out to be rather bitter. What I would like to discuss with you tonight is some bad news, but I will finish up with some good news.

First, it is necessary to distinguish between point-of-sale disclosure and post-sale disclosure. By point-of-sale disclosure I mean information communicated to the buyer of life insurance at the time he or she buys the life insurance. By post-sale disclosure I mean information communicated on a periodic basis to the life insurance policyholder. The most logical frequency for post-sale disclosure is once each year. The most logical vehicle for post-sale disclosure is the envelope that carries the premium notice to the policyholder.

Emphasis on Point-of-Sale Disclosure

Almost the entire focus of the life insurance disclosure movement has been upon point-of-sale disclosure. To illustrate this point, let's consider just three aspects of the disclosure movement.

(1) In 1976 the National Association of Insurance Commissioners -- the NAIC -- adopted a model life insurance disclosure regulation. The model has now been adopted in more than half the states. The model focuses exclusively upon point-of-sale disclosure. All I have heard as a justification for the failure of the model to provide for post-sale disclosure is that the committee responsible for the development of the model considered post-sale disclosure to be outside the scope of its activities.

¹Ninth Annual Colston E. Warne Lecture

²Professor of Insurance

(2) In July 1979 the Federal Trade Commission made public its staff report on life insurance cost disclosure. Appended to the report is a recommended model disclosure regulation which, with the exception of one paragraph, focuses exclusively on point-of-sale disclosure. Since there is no discussion of that paragraph in the text of the report, I view the paragraph as a "sleeper." At a news conference on the day the report was released, a member of the FTC staff was asked why the subject of post-sale disclosure was not dealt with in the text of the report. The response was that the staff was planning a second report that would deal with the subject of post-sale disclosure. That second report was to be released by the end of 1979. It now appears, however, in view of the political problems of the FTC, that there will be no second report.

(3) Consumer publications invariably focus on point-of-sale information. The most recent prominent example -- and I must mention it even though this is a Colston Warne lecture -- is the study of life insurance published in the February and March 1980 issues of CONSUMER REPORTS. The disclosure recommendations by Consumers Union, which are discussed in the March issue, include recommendations for post-sale disclosure. Unfortunately, however, the data presented in the study pertain solely to new policies. I discussed this point in a letter to the editor scheduled for publication in the May issue.

The Consequences

Now let's consider the consequences of the emphasis on point-of-sale disclosure to the virtual exclusion of post-sale disclosure. Most of the life insurance in this country is sold by life insurance agents. Life insurance companies are not really in the business of selling life insurance; rather, they are in the business of hiring, training, and trying to keep good agents. To the extent that publicity is given to point-of-sale information by consumer publications and disclosure requirements, companies find themselves under pressure from their agents to provide attractive point-of-sale information. There are various methods by which companies can improve the attractiveness of their point-of-sale information, and some of these methods adversely affect long-time policyholders.

Consider, for example, dividend-paying life insurance policies issued many years ago. Some companies, despite dramatic increases in interest rates in recent decades, have been paying the same or almost the same dividends they illustrated many years ago. Here is how James F. Reiskytl, an actuary at The Northwestern Mutual Life Insurance Company, described the situation last year:

The public record shows that there are mutual companies that have not changed their dividend scales for blocks of old business for long periods of time, some as long as 20 years. At the same time, these companies

have introduced improved illustrated dividends for new issues every few years. Thus, old policyholders have received no share of improving mortality and higher investment earnings, even though such improvements are passed along to successive new groups. At best it may be some sort of half-baked, undefined investment year method. At least it appears to clearly qualify as malignant manipulation.

We know that often the actuaries of these companies have been concerned, but they have received no support from their companies, nor from the regulators, nor even from the actuarial profession. Nobody cares. We think it is time somebody cared!

Opposition to Post-Sale Disclosure

The opposition to rigorous post-sale disclosure is ferocious. Those of you not familiar with the structure of the life insurance business might wonder why anyone would oppose anything so basic as disclosure of vital information to faithful policyholders. First, life insurance policies are long-term financial instruments. Second, therefore, the major companies have millions of existing policies that have been in force for a long time. Third, therefore, the cost of improving the situation significantly for those many long-time policyholders is very high.

Consider, for example, recent developments in one major company. In 1975, The Equitable Life Assurance Society of the United States, the third largest life insurance company in the country, used the same interest rate in its dividend formula for all individual life insurance policies. In 1976, the company began using a higher interest rate for recently issued policies and for new sales illustrations, while leaving the interest rate unchanged for old policies. The theory behind this change was that the company was able to earn higher rates of interest on funds received more recently than on funds received years ago.

There is some validity to the company's argument, but it should be noted that the action had the effect of substantially improving sales illustrations at very little immediate cost to the company. If the company had raised the interest rate for old policies as well, the company would have had to pay out more than \$30 million per year in additional dividends -- a hefty sum even for a company as big as the Equitable. Significantly, the Equitable -- a mutual company theoretically owned by its policyholders -- has never disclosed to its policyholders the implications of its action. Indeed, the company has never disclosed to its policyholders the fact that the change has been made.

There have been various regulatory efforts to improve the quality of information given to policyholders periodically after the sale. The results of these efforts, however, have not been encouraging. I would like to illustrate this point by relating two incidents.

The Case of the Scuttled Regulation

In November 1974, the New York insurance department promulgated Regulation 74, which had the effect of prohibiting certain methods of portraying the price of life insurance. One of the prohibited methods is what I have referred to in my writings as Class A deceptive practices. These practices apply to a single year and involve a misallocation of interest.

To illustrate, consider a savings account in which \$1,000 is deposited at the beginning of each year, and in which 5½ percent interest is credited at the end of each year. The amount in the account at the end of the ninth year is \$11,875. Another \$1,000 is deposited at the beginning of the tenth year. Interest of \$708 is credited at the end of the tenth year. The amount in the account at the end of the tenth year is \$13,583.

Now, suppose someone states or implies that the saver is earning a 70.8 percent rate of return, by stating or implying that the \$708 of interest in the tenth year is attributable to the \$1,000 deposit in the tenth year. Note the reference to a single year -- the tenth -- and the interest misallocation, since most of the interest earned in the tenth year should be allocated to the deposits made in the earlier years.

Here's how it works in life insurance. Suppose we have a \$50,000 straight life policy with level annual premiums of \$800. The cash value goes up by \$750 in the tenth year -- from \$6,000 at the end of the ninth year to \$6,750 at the end of the tenth year. Assume the policy does not pay dividends.

Now, suppose someone states or implies that the price of the insurance in the tenth year is only \$50, because the premium of \$800 is only \$50 larger than the \$750 increase in cash value. We've got Class A deception, because a significant part of the \$750 increase in cash value in the tenth year is interest, and most of the interest should be allocated to the premiums paid in the earlier years. In our savings account analogy earlier, the Class A deception resulted in an overstatement of the rate of return. In our illustrative life insurance policy, the Class A deception results in an understatement of the price of the protection.

Since the adoption of its regulation more than five years ago, I have seen no evidence to suggest that the New York insurance department has enforced the regulation. Indeed, I have seen strong evidence to suggest that the department has failed to enforce the regulation. And about a month ago it became known that the department is planning to scuttle the regulation. I have filed a statement protesting the department's plan, but I am not optimistic.

The Case of the Sidetracked Committee

In 1976, when the NAIC adopted its model life insurance disclosure regulation, the committee that developed the model was on record as being concerned about the extent to which the model was susceptible to being manipulated. I have already referred to one important form of manipulation -- improving dividend illustrations for sales purposes without making similar improvements in dividends for long-time policyholders.

Early in 1979, the life insurance cost disclosure task force of the NAIC appointed an advisory committee on manipulation. I attempted to learn what the advisory committee was doing, but was unable to do so. I then asked to be appointed to the advisory committee, but my request was denied. Later, through the intervention of the NAIC executive committee, I was appointed to the advisory committee.

As a member of the advisory committee, I have been arguing the need for post-sale disclosure in order to protect long-time policyholders from various forms of manipulation. In December 1979, at the NAIC meeting in Los Angeles, the life insurance cost disclosure task force, in closed session, adopted a resolution instructing the advisory committee on manipulation not to deal with the subject of post-sale disclosure, at least for the time being. To say that I was infuriated by that resolution is the understatement of the year. I intend to ignore the resolution and file a dissenting report, if necessary, in order to recommend post-sale disclosure. But I mention this incident to illustrate how difficult it is to make progress in this area.

A Do-It-Yourself Procedure

As I promised at the outset, there is some good news. I would like to suggest a fairly simple method by which a long-time policyholder can at least find out if he or she is being taken to the cleaners. Here is a formula by which to calculate, for a single year, the rate of return on the savings element of a cash-value life insurance policy:

$$R = \frac{CVC + D + (YPT)(F - CVC)(.001)}{P + CVP} - 1 \quad (1)$$

where R is the rate of return on the savings element (expressed as a decimal), CVC is the cash value at the end of the current year, D is the annual dividend payable at the end of the current year, YPT is the assumed yearly price per \$1,000 of protection, F is the face amount, P is the annual premium payable at the beginning of the year, and CVP is the cash value at the end of the preceding year.

The formula requires an assumption about the yearly price per \$1,000 of protection. My suggested set of assumptions is contained in Appendix A.

Conclusion

To illustrate, consider the policy mentioned earlier -- in which the price of the protection in the tenth year was only \$50 when Class A deception was present. Let's assume the policyholder is 45 years old at the beginning of the tenth year. Here is the information needed to calculate the rate of return on the savings element of the policy in the tenth year:

The face amount is \$50,000. The annual premium is \$800. There is no dividend. The cash value at the end of the ninth year is \$6,000. The cash value at the end of the tenth year is \$6,750. The assumed yearly price per \$1,000 of protection, for age 45, is \$6.62. When these figures are plugged into the above formula, the calculation looks like this:

$$\begin{aligned}
 R &= \frac{6750+0+(6.62)(50000-6750)(.001)}{800+6000} - 1 && (2) \\
 &= \frac{7036.32}{6800} - 1 \\
 &= 1.0348 - 1 \\
 &= .0348 \\
 &= 3.48\%
 \end{aligned}$$

The yearly rate of return on the savings element of our hypothetical policy in the tenth year is 3.48 percent (assuming a \$6.62 yearly price per \$1,000 of protection). This is an income-tax-sheltered rate of return; that is, the interest earnings are income-tax-deferred, and ultimately are either fully or partially income-tax-exempt. Here is how you might view such rate-of-return figures: if the figure is at least 6 percent, the rate of return is excellent; if the figure is at least 5 percent but less than 6 percent, the rate of return is good; if the figure is at least 4 percent but less than 5 percent, the rate of return is fair; and if the figure is less than 4 percent, the rate of return is poor. One warning: do not draw any final conclusions on the basis of one figure, because the year you are looking at may be some kind of aberration. If the rate of return is quite high or quite low, you should do the calculations for several other years.

A few years ago I published some figures for eight policies owned by one person. All of the policies had been purchased during the period from 1941 through 1966. The rates of return on the savings elements of the policies in the years 1975 and 1976, using the system described above, are shown in Appendix B. Note that six of the policies had savings elements with rates of return between 4 and 5 percent, and that two of the policies had savings elements with rates of return around 2 percent.

It has been estimated that there are 142 million life insurance policyholders in this country. It has also been estimated that there are about 19 million new policies sold each year. Unfortunately, almost all of the disclosure activity to date has dealt with point-of-sale disclosure. It seems that the 142 million owners of existing policies have been forgotten. More importantly, the effect of the emphasis on point-of-sale disclosure places pressure on companies to develop attractive point-of-sale information. Some of the ways to accomplish this objective involve actions that adversely affect long-time policyholders.

It seems to me there are at least three courses of action that can be pursued by those interested in the welfare of long-time policyholders. First, it is important to start placing emphasis specifically on the need for post-sale disclosure requirements. I'm not optimistic about the chances of success in this area, because of the awesome political power of the life insurance business, but I think the effort is needed.

Second, it is important to start educating policyholders about how to carry out their own evaluations. I outlined in this lecture one technique that I think has merit.

Third, it is important to publicize the actions of companies that take steps to improve the position of long-time policyholders. The most prominent recent example of such an action is the policy amendment program launched this year by The Northwestern Mutual Life Insurance Company. The program is described in the lead article in the January 1980 issue of THE INSURANCE FORUM.

Thank you again for the privilege of presenting this lecture in honor of Colston Warne. It has been a pleasure for me to be here, and I wish you every success in your efforts on behalf of American consumers.

APPENDIX A

SUGGESTED SCHEDULE OF ASSUMED YEARLY PRICES PER \$1,000 OF PROTECTION
FOR USE IN DETERMINING YEARLY RATES OF RETURN

<u>Age^a</u>	<u>Price^b</u>	<u>Age^a</u>	<u>Price^b</u>
15	\$ 1.33	45	\$ 6.62
16	1.45	46	7.12
17	1.55	47	7.69
18	1.60	48	8.28
19	1.64	49	8.96
20	1.69	50	9.68
21	1.75	51	10.47
22	1.82	52	11.33
23	1.88	53	12.27
24	1.95	54	13.30
25	2.03	55	14.43
26	2.12	56	15.66
27	2.22	57	16.99
28	2.31	58	18.44
29	2.43	59	20.03
30	2.55	60	21.77
31	2.70	61	23.66
32	2.84	62	25.73
33	3.00	63	27.96
34	3.17	64	30.43
35	3.37	65	33.09
36	3.58	66	35.99
37	3.81	67	39.18
38	4.06	68	42.62
39	4.35	69	46.38
40	4.64	70	50.46
41	4.97	71	54.90
42	5.32	72	59.73
43	5.71	73	64.98
44	6.14	74	70.70

^aAge at beginning of policy year.

^bAssumed yearly price per \$1,000 of protection.

Source of data: The yearly prices per \$1,000 of protection in this table are equal to 105% of the one-year term insurance premiums in Revenue Ruling 55-747.

APPENDIX B

YEARLY RATES OF RETURN IN 1975 AND 1976
FOR POLICIES OWNED BY MR. D

<u>Name of Company</u>	<u>Year of Issue</u>	<u>Yearly Rates of Return*</u>	
		<u>1975</u>	<u>1976</u>
Penn Mutual (P)	1941	4.80%	4.92%
Mutual Benefit (P)	1942	4.09	4.12
National Life (Vt) (P)	1949	4.60	4.62
Equitable of Iowa (P)	1956	4.50	4.51
Mutual of New York (P)	1956	4.77	4.56
Continental Assurance (N)	1956	1.95	2.11
Continental Assurance (N)	1957	1.96	2.13
Mutual of New York (P)	1966	4.68	4.86

(P) Participating (dividend-paying) policy.

(N) Nonparticipating (non-dividend-paying) policy.

* Assuming yearly prices per \$1,000 of protection equal to 105% of the one-year term insurance premiums in Revenue Ruling 55-747.

CONSUMER EDUCATION FOR ADULTS--
REACHING PEOPLE WHERE THEY ARE

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Abstract

Adult consumers make up an audience to which numerous consumer programs are directed. While many in this audience could directly benefit from receiving consumer information, adults are often hard to reach through traditional methods such as scheduling of meetings. This paper discusses some of the ways to provide consumer education to adults by reaching them where they are--at the place of employment, where they do business, etc. While lunch 'n' learn programs are specifically described, other methods are also discussed.

Introduction

The adult consumer makes up a very broad and diverse segment of the American population. This population of adults makes purchases of a multitude of goods and services and also makes routine consumer decisions. Many adults lack adequate information and consumer skills to make wise decisions and choices. These facts illustrate the importance of training in consumer education for adults. Programs offered by organizations such as the Extension Service, Public School Systems, and other consumer organizations and educational groups generally require attendance at meetings to receive the information. Attendance at meetings poses a problem for many busy and working adults who have limited time. Furthermore, some of these adults are those who most need consumer information, but are least motivated to seek help.

Today, I am going to discuss "Consumer Education for Adults--Reaching People Where They Are." I will identify methods of reaching adults specifically at work or in other places where they may be found. I will divide my remarks into three parts. I will first review the various adult audience types, illustrating the difficulty in reaching some and the crucial need for development of consumer skills by many included in these audiences. I will then discuss effective ways of reaching adult audiences with emphasis on meeting them at the place of work. And finally, I will identify some methods, techniques, and teaching resources that will encourage involvement in these programs. I hope to ultimately stimulate you to utilize some of these methods, as well as to develop others.

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Adult Audiences and the Importance
of Consumer Education

If we take a closer look at the adult population, we can observe varied situations and needs among people. Whether we observe young adults, middle aged adults, or older adults we will find that experience in the marketplace, consumer skills and situations will be related to the individuals involved as well as the particular tasks of the life cycle stage. Young adults will have less experience in making consumer decisions than middle-aged, more experienced adults. At the same time, older adults are probably facing consumer problems related to their changing lifestyle. Yet there remains a strong need for consumer training for all adult groups regardless of the stage of the life cycle, as the marketplace becomes more complex. Nor can we overlook the fact that some adults in these varied groups continue to function with difficulty in handling their consumer affairs.

The importance of developing skills in consumer matters cannot be over-emphasized. Research funded and published by the U. S. Office of Education in 1975 revealed that almost 23 million Americans lack the competencies necessary to function in society, while an additional 33.9 million Americans are able to function but not proficiently in consumer matters. Many of these consumers seemed to have difficulty with tasks such as filling out checks correctly, selecting the least expensive cereal by comparing the lowest cost per ounce, and figuring out the correct amount of change due after making a purchase.

If 30 percent or more of the adult population functions with difficulty in consumer matters, we must ask ourselves who are these people? Where are they? and why haven't we reached them before? I feel sure that there are numerous reasons why this segment of the population has not received consumer information from organizations that promote adult education. Some reasons might include a lack of knowledge about such educational program offerings; lack of motivation to seek help in consumer skills; little time available to attend meetings to receive training; and inaccessibility of meeting places and times. I can go on and on listing many other reasons; however, I would like to focus on the reasons of lack of time to attend meetings and inconvenience of scheduled meeting times. These reasons are cited by many working people and are legitimate concerns.

Today working people make up the bulk of the adult population. More women are working than ever before. The Bureau of Labor Statistics reported that in June of 1978, half of all women sixteen years and older were working or looking

for work. These women make up 42% of all U.S. workers. While working women are extremely busy people, we can see that all working adults are forced to closely scrutinize the activities in which they will participate in their non-working hours. When forced to choose between training in consumer education, necessary household chores, an evening of entertainment, or activities with the children we might guess which activity will often be eliminated. These conditions illustrate the apparent difficulty in reaching working people by direct participation or attendance at meetings. While I have at this point focused my attention on reaching working adults, I have not overlooked other groups of adults such as limited resource adults and older adults that are equally if not more difficult to reach. I do believe that it is also possible to reach these groups "where they are," a topic of which I will discuss briefly later. Thus far, I have addressed adult audiences and the importance of consumer education emphasizing the difficulty of reaching certain adults. I have laid a foundation for seeking ways to reach adults at the place of work and elsewhere.

Reaching People Where They Are

In order to have more consumer information reach a larger and more varied audience, those educators involved must utilize different methods. Some of the Specialists at the Kentucky State University Cooperative Extension Program are attempting to reach "hard-to-reach" audiences because we feel that this is an important thrust of our educational program. We are reaching these audiences through factory programs, and lunch 'n' learn lessons. These learning sessions last 15-20 minutes during the lunch break and may be presented in factories, government buildings, courthouses, business offices, hospitals or other places where people work and where an eating facility is provided for employees. The learning session is held in the eating facility while employees eat lunch, and they are free to pick up hand-outs when the session is over. In small towns where some people are employed in downtown shops and businesses, a central meeting location is established and sessions are held at this location.

The factory program had its beginning in the State of Kentucky with Bart Ashley, the Extension Child Development Specialist at Kentucky State University. He developed a series of six child development lessons that have been presented at factories around the state. Each lesson consists of a brief discussion by the specialist or county agent supplemented with illustrative posters and in some cases sample materials to illustrate the topic.

As a State Extension Specialist in Family Economics and Management, I have developed materials for working women to be used at lunch 'n' learn sessions. These materials focus on management concerns of working women, and include lessons on money management, managing the household, and time-saving cooking methods. Other materials are being developed on money management and credit.

While the original topics focused on problems of concern to working women, other materials are developed for use with both males and females. These programs are being used for both lunch 'n' learn and factory lessons.

We might agree that factory and lunch 'n' learn programs are creative methods for getting consumer education to those who can't attend meetings. However, these methods require a great deal of planning, preparation of materials, salesmanship and publicity. Much selling and negotiating with factory personnel must be done before a factory will decide to have the program presented. Once the factory has agreed to accept the program, publicity then becomes a major priority so that employees will be aware of the program and the dates that it will be held. The person presenting the program in a factory eating facility will need to use a microphone to enable those people who wish to participate an opportunity to hear above the noise. In smaller lunch 'n' learn groups you will often get full attention of those participating, as registration can be required. At the end of the program, participants can pick up handouts on the topic. It's always quite interesting to determine the number of persons who are attentive and desirous of printed material. Each program should be evaluated by the participants to determine effectiveness. Factory and lunch 'n' learn programs offer an excellent opportunity to make the audience aware of the organization sponsoring the lesson. These lessons permit the public to call on the organization at future times to receive other educational material and information.

As the factory program continues in the State of Kentucky, some factory representatives have requested additional programs on money management, wise use of credit, and shopping skills. The representatives feel that these topics are problems for many of their employees, and that help in these areas will benefit most personnel.

Some county agents employed by the Kentucky Cooperative Extension Service have begun to utilize factory programs. Many agents have utilized lunch 'n' learn sessions -- for some time. Other methods of providing consumer information to adults who do not attend meetings include presenting programs and materials at:

- Coffee breaks - brief 5-10 minute programs
- After work - short sessions to offer information and pick up brochures
- Where People Do Business - places such as doctor's or dental offices, grocery stores, laundromats, etc. where you can set up a caramate or leave materials for patrons.

A variety of other methods can also be used to promote consumer information as well as other topics that may be interdisciplinary in nature. Some of these methods include:

- Short, one concept TV programs
- Radio Spot announcements
- Weekly newspaper articles or special features
- Newsletters
- Self help lessons such as home study kits

and correspondence courses
--Mall exhibits and lessons

By utilizing combinations of some of these methods you will be able to reach a larger number of adults with consumer information.

I might mention that limited resource adults are another group who are extremely difficult to reach with traditional methods, and who desperately need help in the consumer and family development areas. This group is trained with more success when paraprofessionals work with them on a one-to-one basis. The task is sometimes a tedious one, but the long range results are quite rewarding. Other opportunities for providing information to these groups would include placing materials or caramate audio-visual presentations in food stamp centers, clinics, and grocery stores. You might also place spot announcements on radio stations to which they frequently listen.

Techniques for Involving Working Adults

Many of these lunch 'n' learn and factory programs are short mini-lessons that must be presented in a 10-20 minute time span. It is therefore necessary to prepare a single-concept, concise lesson that emphasizes basic points of importance. If a topic needs more in-depth treatment, it is best to divide it into logical segments and teach it at more than one session. It is essential that a presenter know the subject matter so that he or she can begin the lesson and continue without pauses or time lapse. This will hold the attention of the audience more readily. Finally, materials used for hand-outs should be brief, fact sheets or brochures that contain only the most essential information. We cannot expect many people to read lengthy brochures if they are busy. When the lesson is completed, workers should be asked to fill out a brief evaluation sheet in order that you will know how helpful the lesson was. They may then take copies of publications.

While teaching the lesson it is essential to use posters, slides, or other visuals to illustrate the points that you are making. Short demonstrations or showing samples of items can be used where appropriate. People feel more involved if the presentation is personalized and they feel that they will personally benefit if they pay attention. Attention getters and clever gestures or visuals can be used to get participants' attention initially.

These are merely a few suggestions for presenting consumer information at the place of work. I feel that "Reaching People Where They Are" --at work, on breaks, in the supermarket, or elsewhere is a form of programming that consumer educators will ultimately need to utilize, if we hope to educate many adults who do not attend meetings and are in dire need of the information we have. I challenge you to attempt some of these methods and develop others, because we are responsible as adult educators to

help develop knowledge and skills that will help make our audience more responsible consumer citizens.

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CONSUMER PROBLEMS AND COMPLAINT ACTIVITIES OF LOW-INCOME HOMEMAKERS
ENROLLED IN THE CONSUMER AND HOMEMAKING EDUCATION PROGRAM IN ILLINOIS

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Abstract

Seven hundred and thirty-one program families enrolled in the Consumer and Homemaking Education Program in Illinois participated in a survey designed to evaluate the impact of the program in teaching low-income adults how to effectively use their resources for maximum satisfaction. Information obtained included the types of consumer problems experienced, the incidence of complaints made, redress received, and dollars saved.

Scope of the Evaluation

Purpose and Objectives

Effective program management requires frequent and reliable feedback from program participants--in this case, CHEP program homemakers.

The purpose of the study was to evaluate the impact of the Consumer and Homemaking Education Program in teaching low-income adults how to effectively use their resources for maximum satisfaction.⁴

The specific objectives of this portion of the evaluation were:

1. To assess CHEP low-income homemakers consumer problems areas.
2. To determine if CHEP homemakers filed consumer complaints and to whom they complained, and
3. To assess the amount of savings CHEP homemakers have realized from consumer complaints.

Consumer problems and complaints will continue to

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be an important issue for budget-constrained consumers in the next decade. Limited resource families, faced with ever-increasing costs, will need help in coping with their consumer problems. Evaluations, such as this one, of the effectiveness of consumer educators at the adult level are essential in meeting important consumer needs of the future.

How We Did the Survey

The CHEP survey was designed to investigate three subject matter areas in the program. The objective was to assess the progress homemakers have made in the three problem areas as a result of being in the CHEP program and to identify the problems and concerns of CHEP homemakers for program planning.

The three areas investigated were consumer problems and complaints, metered utilities, and crises experienced by the homemakers. In each of these areas, CHEP Program Assistants (paraprofessionals) have received in-depth training. They are trained to give lessons to their program homemakers in all of these subject matter areas.

The lessons on consumer complaints teach homemakers their rights and responsibilities as consumers and how to voice consumer complaints effectively. Lessons on metered utilities teach homemakers about opening, reading, and paying bills promptly, how to read meters and what to do about billing errors. The lessons on crisis teach homemakers positive and constructive methods of dealing with crisis in their lives.

The CHEP program hires paraprofessionals from target areas to teach their neighbors through home visits. This program delivery system is well-suited to the personal interview process. Each paraprofessional interviewed CHEP program homemakers that he or she visits regularly. The survey was conducted during May, 1979 in each of the CHEP counties. These include: Cook County--Area 1 and Area 111, Madison-St. Clair, Jackson, and Pulaski-Alexander Counties.

TABLE 1 shows the number of questionnaires completed in each of the CHEP counties. Cook County--Area 1 represents a large share of the total questionnaires and thus the results are somewhat biased towards that CHEP audience. However, the results are tabulated by section of the survey and within two of the three sections this overrepresentation of Cook County--Area 1 is not as pronounced. It should be noted that in terms of their portion of homemakers enrolled in the CHEP program, Madison-St. Clair, Cook County--Area 111, and Jackson Counties are slightly underrepresented

TABLE 1. Questionnaires Completed in Each Subject Matter Section by County

County	Total Questionnaires		Consumer Problems		Metered Utilities		Coping with Crises	
	#	%	# (n=699)	%	# (n=178)	%	# (n=312)	%
All Counties	731 ⁵	100.0	700	100.0	178	100.0	312	100.0
Madison-St. Clair	48	6.6	44	6.3	22	12.4	17	5.5
Cook--Area 1	412	56.4	398	56.9	49	27.5	135	43.4
Cook--Area 111	44	6.0	39	5.6	23	12.9	32	10.3
Jackson	69	9.5	68	9.6	16	9.0	18	5.8
Pulaski-Alexander	157	21.5	151	21.6	68	38.2	109	35.0

in the survey.

The respondents were only asked to complete those portions of the survey on which they had received CHEP lessons. However, all homemakers were asked to complete the section on consumer problems. As a result, 700 homemakers completed the consumer problems section, 178 answered the questions on "Utilities," and 312 homemakers completed the section on "Coping with Crisis."

TABLE 1 also indicates the number of homemakers completing each of the three survey sections by county.

Questionnaires were completed by 731 CHEP homemakers through interviews conducted by 40 paraprofessionals. The questionnaires were then forwarded to the CHEP State Staff at the University of Illinois where the data reduction and processing were done.

Characteristics of the Respondents

The survey sample consisted of 731 program families located throughout the six CHEP counties. Ninety-two percent (670) of these families were enrolled in the program at the time of the survey. The remaining 61 were former CHEP homemakers who were graduated from the program.

Information was requested regarding various demographic topics. This information indicated a wide variation among the participating households.

Of the homemakers interviewed, 98 percent (716) were female. Fourteen of the participants were male homemakers. Thirty-six percent (251) of the sample indicated they were currently married, and 25.7 percent (197) were single. Forty percent of the respondents indicated they were either separated, divorced, or widowed. The separated group was the largest with approximately 20 percent of the sample. The divorced and widowed categories each constituted less than 10 percent of the entire sample.

⁵n=731 is 1 case greater than the cumulative total of all counties since one questionnaire did not specify county.

The 25 - 34 year-old age group constituted the largest age group among the program families reporting. This group accounted for 32.5 percent (232) of the sample. The 35 - 44 year-old category followed closely with 29.3 percent (209) of the total. The smallest representation was the over-65 year-old group, which constituted only 3.1 percent (22) of the sample.

A majority of the homemakers were not employed. Approximately 77 percent (488) of the respondents were not employed outside the home. Over 14 percent indicated they were employed part-time while 8.6 percent were employed on a full-time basis.

Almost half (47.6 percent) of the homemakers indicated they were the only adult in the household. The second largest group had two adults at home. This category constituted almost 40 percent of the sample. Slightly over 12 percent of the sample reported three or more adults in the household.

The sample indicated a wide distribution in the number of children under 18 years-old living at home. The largest single category consisted of two children, with 21.5 percent of the sample. Families with three children and one child followed closely with 19.3 percent and 17.7 percent of the sample, respectively. There was also a high occurrence of large families. In fact, almost 30 percent of the households reported four or more children living at home.

TABLE 2 is a summary of the demographic characteristics of the survey respondents.

Consumer Problems and Complaints

When homemakers enter CHEP, most do not know how to voice their concerns in the marketplace. Few have ever made a complaint about a product or service. They lack knowledge of their rights and responsibilities and are hesitant to question business practices.

Business research with "typical" or "average" families has shown that only 20 or 30 percent of homemakers who have problems with consumer products actually voice a complaint to the manufacturer or retailer or other consumer assistance office. Consumer assistance offices might refer

TABLE 2. Characteristics of Respondents

	Number	Percent
<u>CHEP Status</u>		
Currently enrolled	670	91.8
Graduated	60	8.2
	<u>730</u>	<u>100.0</u>
<u>Marital Status</u>		
Married	251	36.0
Single	197	25.7
Divorced	60	8.6
Separated	138	19.8
Widowed	69	9.9
	<u>715</u>	<u>100.0</u>
<u>Age Group</u>		
Under 24	62	8.7
25 - 34	232	32.5
35 - 44	209	29.3
45 - 54	134	18.7
55 - 64	55	7.7
65 and over	22	3.1
	<u>714</u>	<u>100.0</u>
<u>Employment Status</u>		
Full-time	55	8.6
Part-time	93	14.5
Not employed	488	76.9
	<u>636</u>	<u>100.0</u>
<u>Sex</u>		
Female	716	98.1
Male	14	1.9
	<u>730</u>	<u>100.0</u>
<u>Number of Adults at Home⁶</u>		
1	340	47.6
2	284	39.8
3	58	8.6
4	21	2.9
5 or more	12	1.1
	<u>714</u>	<u>100.0</u>
<u>Number of Children at Home⁷</u>		
0	85	12.1
1	126	17.7
2	153	21.5
3	137	19.3
4	91	12.8
5	72	10.1
6 or more	46	6.5
	<u>710</u>	<u>100.0</u>

to government agencies, Better Business Bureau's, etc. (Day, 1977). Low-income consumers, or "disadvantaged" homemakers traditionally make complaints even less often than middle or upper-income homemakers. Research has shown that "low-income shoppers are especially unlikely to complain, even when they have strong grounds for complaint, because they don't know how to go about it" (Day, 1977).

Thus, a concentrated program effort for CHEP is to teach program homemakers how to make consumer complaints and identify their rights and responsibilities.

This portion of the CHEP survey focused on con-

⁶18 years or older

⁷Under 18 years of age

sumer problems of CHEP program homemakers. Information about the types of problems the homemakers experience, and whether or not they made a complaint about the problem was obtained. This information was supplemented with questions about the methods homemakers used to complain, where they complained, what redress they received as a result of their complaint and the dollar amounts they saved if their problem was corrected.

Consumer Problems Reported

Seven hundred (700) CHEP homemakers completed the questions about their consumer problems. The homemakers were presented with a list of 29 consumer problems and asked if they had any of them since participating in CHEP. (Homemakers may participate in the program for up to three years.)

The most frequent problem reported was misleading advertising. Two hundred and five (205) homemakers reported having a problem in this area and 30.2 percent (62) had complained about it.

The second highest response was for "Food Stamp Problems" with 198 homemakers citing this problem. Forty percent (80) of these homemakers had made a complaint about it.

Problems with welfare, defective products, landlords not making repairs, and rodent control received the next four highest responses.

One hundred and seventy-nine (179) homemakers reported problems with welfare and 41.9 percent (75) of those had complained. One hundred and seventy-seven (177) homemakers had problems with defective products and 54.8 percent of them had made a complaint about it. Of the 157 homemakers who reported that landlords not making repairs was a problem, 42.6 percent (67) had made a complaint about it. And, of the 134 homemakers who had problems with rodent control, 47 percent (63) had complained about the problem.

These areas were the six most frequent consumer problems reported. TABLE 3 shows the results for each of the 29 consumer problems.

The 29 consumer problems were grouped into eight major kinds of problems: product-oriented, insurance, money and financial, problems with government agencies, housing, utilities, auto, and service-oriented problems. The number of consumer problems reported in each of these eight groups are presented in TABLE 4.

The "product-oriented problems" category had the highest total number of homemakers reporting problems with 728 total responses.

"Problems with government agencies" was the second largest area of consumer problems with 515 homemakers reporting problems in at least one of the five areas mentioned. The "housing" category received the third largest number of responses, followed by "service-oriented" problems, "money and financial" problems, "insurance," "auto," and "utilities."

TABLE 3. Types of Consumer Problems Reported by CHEP Homemakers (Ranked by frequency of response)

Consumer Problem	No. of Home- makers Re- porting Pro- blem (n=700)	Percent of Homemakers Reporting Problem	No. of Home- makers with Problem who Complained	Percent of Home- makers Reporting Problem who Complained
Misleading advertising	205	29.3%	62	30.2%
Food stamp problems	198	28.3%	80	40.4%
Problem with welfare	179	25.6%	75	41.9%
Defective products	177	25.3%	97	54.8%
Landlords not making repairs	157	22.5%	67	42.7%
Rodent control	134	19.1%	63	47.0%
Discrimination in getting credit	112	16.0%	11	9.8%
Misleading packaging and labeling	112	16.0%	21	19.8%
No attention paid to consumer complaint	105	15.0%	25	23.8%
Poor quality of auto repairs	101	14.4%	36	35.6%
Unsafe products	96	18.7%	38	39.6%
Can't get service/repair after purchase	88	12.5%	22	25.0%
Deception in mail order sales	86	12.3%	21	24.4%
Social Security problems	79	11.2%	22	27.8%
Excessive finance charges	65	9.3%	10	15.4%
Difficulty with health insurance claims	63	9.0%	25	39.7%
Billing mistakes on utility bills	62	8.9%	25	40.3%
Poor quality medical or dental care	53	7.5%	10	18.9%
Discrimination in getting loans	51	7.3%	4	7.8%
Warranty or guarantee problems	50	7.1%	12	24.0%
Poor workmanship in a new car	43	6.2%	13	30.2%
Cancellation of auto insurance	42	6.0%	10	23.8%
Excessive funeral costs	36	5.1%	5	13.9%
Unemployment checks not received	34	4.8%	12	35.3%
Landlords unfairly keeping rent deposits	31	4.4%	9	29.0%
Repossession without enough notice	28	4.0%	11	39.3%
IRS problems	25	3.6%	9	36.0%
Insufficient notice of utility cutoff	23	3.3%	9	39.1%
Other	17	10.1%	21	29.6%
Unexplained insurance rate increase	17	2.4%	2	11.7%

Consumer Complaint Activities

Methods Used to Complain

Homemakers surveyed were asked to indicate the activities which they have used to make consumer complaints. Since participating in the CHEP program, 53.6 percent (375) had made a consumer complaint by telephone. Almost half--46.9 percent (328) of the homemakers had returned to the business to complain. Twenty-seven percent (191) had written a letter to voice a consumer complaint.

A total of 112 homemakers had used other methods, such as calling a telephone hotline, sending a telegram or contacting an agency. One percent (8) had filed a suit against a merchant, individual or company. A summary of responses is presented in TABLE 5.

Organizations Contacted with Complaints

There are two important parts of teaching CHEP homemakers how to voice consumer complaints. The first is to encourage disgruntled homemakers to return to a retailer or manufacturer to let them

know there is a problem. The second part is to make CHEP homemakers aware of government agencies, and other consumer assistance centers that are available to help with consumer problems.

When asked whom they had contacted about their problem, 40.4 percent reported making consumer complaints to the retail business or store where the specific item was purchased. An additional 80 homemakers (11.4 percent) addressed complaints to the manufacturer or distributor.

The Better Business Bureau and Public Aid Office were identified by 13.6 percent (95) and 8.4 percent (59) of the homemakers, respectively, as organizations contacted concerning consumer complaints. Another point of contact for CHEP homemakers with consumer complaints was the Attorney General's Office which was specified by 7.6 percent (53) of the homemakers. A noticeable number of consumer complaints were made to landlord/housing manager offices, with 6.7 percent (47) of the homemakers making complaints to these offices. TABLE 6 shows the frequency of the organizations contacted.

TABLE 4. Number of Consumer Problems Reported (Grouped by type of problem)

	Number
<u>Product-Oriented Problems</u>	
1. Misleading advertising	205
2. Defective products	177
3. Misleading packaging and labeling	112
4. Unsafe products	96
5. Can't get service/repair after purchase	88
6. Warranty or guarantee problems	50
	<u>728</u>
<u>Problems with Government Agencies</u>	
1. Food stamp problems	198
2. Problem with welfare	179
3. Social Security problems	79
4. Unemployment checks not received	34
5. IRS problems	25
	<u>515</u>
<u>Housing</u>	
1. Landlords not making repairs	157
2. Rodent control	134
3. Landlords unfairly keeping rent deposits	31
	<u>322</u>
<u>Service-Oriented Problems</u>	
1. No attention paid to consumer complaint	105
2. Deception in mail order sales	86
3. Poor quality medical or dental care	53
4. Excessive funeral costs	36
	<u>280</u>
<u>Money and Financial Problems</u>	
1. Discrimination in getting credit	112
2. Excessive finance charges	65
3. Discrimination in getting loans	51
4. Repossession without enough notice	28
	<u>256</u>
<u>Insurance</u>	
1. Unexplained insurance rate increase	71
2. Difficulty with health insurance claims	63
3. Cancellation of auto insurance	42
	<u>176</u>
<u>Auto</u>	
1. Poor quality of auto repairs	101
2. Poor workmanship in a new car	43
	<u>144</u>
<u>Utilities</u>	
1. Billing mistakes on utility bills	62
2. Insufficient notice of utility cut-off	23
	<u>85</u>

TABLE 5. Methods Used to Make Complaints

	Number	Percent (n=700)
Returned to business	328	46.9
Wrote a letter	191	27.3
Telephoned a complaint	375	53.6
Called a telephone hotline	53	7.6
Sent a telegram	14	2.0
Filed a suit against a merchant or company	8	1.1
Other	45	6.4
Went to an agency	(35)	(5.0)
Miscellaneous	(10)	(1.4)

TABLE 6. Where CHEP Homemakers Voiced Complaints

	Number	Percent
Retail store where purchase	283	40.4
Manufacturer or distributor	80	11.4
Attorney General's Office	53	7.6
Better Business Bureau	95	13.6
Consumer Product Safety Commission	16	2.3
Department of Insurance	26	3.7
Federal Trade Commission	11	1.6
Food and Drug Administration	12	1.7
Illinois Commerce Commission	11	1.6
Major Appliance Consumer Action Panel	7	1.0
Small Claims Court	20	2.9
TV, radio or newspaper	14	2.0
Other	147	21.0
Public Aid Office	(59)	(8.4)
Landlord/Housing Manager	(47)	(6.7)
Social Security Office	(13)	(1.9)
Miscellaneous	(28)	(4.0)

Consumer Satisfaction

Homemakers were asked to estimate the dollar amounts of saving that resulted from consumer complaints made since participating in CHEP. Two hundred homemakers reported a total of \$23,541 dollars saved. This total computed to an average of \$118 saved per homemaker. A comparison of total dollars saved in all CHEP counties can be seen in TABLE 7.

TABLE 7. Estimated Dollar Amount Saved as a Result of Homemakers' Complaints

County	Number of Homemakers	Percent of County Total	Total Dollars Saved	Average Dollars Saved
Madison-St. Clair (n=44)	13	29.5	\$1,062	\$81
Cook--Area 1 (n=398)	51	12.8	5,836	114
Cook--Area 111 (n=39)	7	18.0	3,057	437
Jackson (n=67)	47	70.1	2,973	63
Pulaski-Alexander (n=151)	82	54.3	10,643	130
All Counties	200	28.6	\$23,571	118

Homemakers who reported savings resulting from consumer complaints were asked to specify what actions were taken to satisfy the complaints. A total of 371 homemakers indicated that the product was repaired or replaced, the service was re-done, their money was refunded, or that another remedy was given.

Having the product replaced was the most frequent action, which was reported by 129 homemakers or 34.8 percent of those reporting. Twenty-two percent (82) of the homemakers had the product repaired, and 18 percent (67) had money refunded to them.

TABLE 8 shows the kinds of redress received by the CHEP homemakers.

TABLE 8. Results of Homemaker's Complaints

	Number ⁸	Percent (n=371)
Product(s) repaired	82	22.1
Product(s) replaced	129	34.8
Service(s) redone	66	17.8
Money refunded	67	18.0
Other	27	7.3
	<u>371</u>	<u>100.0</u>

⁸Multiple responses were allowed, percents are based on number of responses.

References

George S. Day, "The Mystery of the Dissatisfied Consumer," The Wharton Magazine (Fall 1977), 59

EXPERIENTIAL LEARNING :
OUT OF CLASSROOM EDUCATIONAL EXPERIENCES

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Abstract

Faculty in the Department of Education and Family Resources at the University of Nebraska-Lincoln have developed an undergraduate Consumer Affairs internship. In four years, 48 students have taken advantage of the internship made possible by the cooperation of eight businesses and departments of Nebraska state government. This paper describes the internship and its impact on students.

Experience is an important prerequisite for employment. How does a 21- or 22-year-old college student acquire that experience prior to the time a resume is prepared? A student group at the 1975 ACCI Annual Meeting discussed this question. One suggestion was student internship programs. Faculty at the University of Nebraska-Lincoln took that suggestion seriously and approached the Cornhusker Better Business Bureau and the Consumer Protection Division of the Attorney General's Office as to the possibility of having student interns. The response was immediate and positive. The manager of the BBB was already somewhat familiar with the consumer program since she speaks to one of the University classes in Consumer Problems each semester in an effort to inform students about the Bureau's program. The attorney who heads up the Consumer Protection Division of the Nebraska Attorney General's Office also serves regularly as a resource person. In addition, he had served in an internship position as a student and remembered it as a valuable experience. In the Fall of 1975, the internship began at these two offices. Four years later, both offices are still involved.

In four years the program has expanded and now Cengas (utility company), State Department of Agriculture, Credit Bureau, First National Bank, Social Security, and a locally owned department store, Miller and Paine, are participating. Every request made of business and the government for an internship program has been met with enthusiasm. Plans are now underway to add the State Energy Office as another type of experience.

The objectives of the course (Education and Family Resources 414G - Supervised Experiences in Home Economics - Selected Experiences) vary with the office or business to which the student is assigned. Basically the objective is to give students practical experience beyond the classroom in a day-to-day situation under the guidance of a specific employee of the organization.

¹Assistant Professor

Sites for Internships

Attorney General's Office - Consumer Protection Division

Examples of specific objectives for students assigned to the Attorney General's Office include:

1. Familiarity with types of consumer problems people have
2. Recognition of the need for continuing consumer education
3. Recognition of bounds of "the law"
4. Collection of information from consumers with complaints
5. Familiarity with new sources and locations of information; i.e. law library in the state capitol building.

Students have been involved in helping the Attorney General's Office gather background information to support bills such as a tightening up in advertising business enterprises such as vending machines. They have also collected data on odometer readings of "recycled cars." Their work has helped to stop some of the illegal odometer roll-backs.

Cornhusker Better Business Bureau

Students who worked at the BBB monitored consumer complaint phone calls and learned the Bureau's complaint procedure. They followed progress of the complaint but have not been asked to personally help resolve a complaint. The students also learned the standards (as set by the Council of the BBB) for good advertising. They have monitored ads in local papers and on local radio and TV stations. They have found advertising that did not meet standards. Contacts with the advertiser resulted in an improved ad in most instances.

Another type of learning experience was provided through field trips. Interns have watched a TV commercial being filmed. They have toured an ad agency and discussed advertising with account executives. They also met with the ad manager of the daily newspaper to discuss the philosophy of that medium.

State Department of Agriculture

The supervisor for the internship was the Consumer Consultant, a home economist. The students were involved in current projects of the Department such as egg promotion, which involved work with the commodity group and in-store demonstrators. Students helped develop audio-visual teaching aids used in presentations. Attendance at Department staff meetings was an eye opener for one student who had not realized the scope of the Department. A second student observed changes in the Department personnel when the political party in office

changed. The Consumer Consultant does public relations work for the Department and students observed different types of group presentations. Attendance at rule making hearings was another necessary part of the experience. Trips with a food inspector helped students understand food sanitation regulations.

Social Security

The interns at the Social Security Administration participated in a condensed version of a new employee's training program. Films and reading materials were assigned. Students talked with employees in the various departments to understand how specialized each employee is. Eventually, the students worked at the reception desk, determined who the visitor needs to see, ushered the visitor to the proper desk and observed the procedure of handling the question, claim, or problem. Since a great deal of personal information was involved, the students were required to sign an oath of confidentiality.

Cengas

The program started at Cengas in 1977 when the Home Economist for the business, a UNL graduate in Consumer Affairs, saw the opportunity for an undergraduate internship program. The marketing manager, eager to cooperate, broadened the scope of the Cengas internship. The assigned students worked closely with the home economist and assisted in programs at the elementary and high school level as well as at the adult level. The students were also exposed to billing, service and distribution. The home economist was active in Home Economists in Business so the students attended several of these activities.

First National Bank

First National has been involved in different ways than the previously mentioned offices. For two semesters, a mini-series of seminars was held with the heads of various departments in the bank: Trust and Investment, Auditing, Mortgage Loan, Computer/Electronic Funds Transfer, Customer Service and Customer Lending. Students have had the opportunity to discuss such topics as effect of consumerism on banking, competition from saving and loan associations, and opportunities for employment. A third semester program was designed to meet the needs of a student with an intense interest in credit. She spent fifty hours observing and learning in the bank's credit departments.

Miller and Paine

One department store, locally owned Miller and Paine, has been very helpful in setting up a series of seminars with the heads of credit, personnel, advertising, fashion coordination, and security. A visit to the distribution center (three stores are owned by Miller and Paine) was arranged as well as a back-of-the-scenes tour of the largest store. The store has its own bakery department and candy kitchen where chocolates are hand-dipped; the furrier and framing departments

both offer services to the customer. The students had ample opportunity to discuss problems of the personnel department and other aspects of the retailing business.

Credit Bureau

As mentioned, one student was interested in credit as a source of employment. In addition to her exposure to credit at First National, she has completed a course in credit management. She asked to go to the Lincoln Credit Bureau to learn about their role in credit. There she was able to observe interviews concerning credit rating and the effect of government regulation on private business.

Mechanics of the Course

Students are urged to request the course several semesters in advance so they usually are assigned to the office of their first choice. Limited enrollment space makes much pre-planning essential. Students earn three semester hours of credit for the course. They cannot accept pay. In the beginning, students spent six hours a week in their assigned locations but now ten hours are required for the 15-week semester. Each student writes his/her own objectives. The University of Nebraska-Lincoln faculty worked out objectives with the supervisors in the individual offices and businesses. Every three weeks, students submit to the faculty written logs including their own comments. Faculty-student conferences were held on an informal basis as were faculty-supervisor conferences. Each student wrote a final report for the faculty and the supervisor.

Evaluation of Internship

One method of effectiveness is to look at post graduation employment of the students. This is a difficult assignment and the picture is incomplete but it is known that one student is now employed by the State Labor Department. Her contact with the Attorney General's Office opened a door for her. Three interns have been employed by the Attorney General's Office and one of these people has recently been employed by the United States Department of Agriculture. The Nebraska Public Power District hired one of the students to fill a vacant home economist position. The Nebraska Energy Office employed one of the interns. A management position in food service was chosen by another graduate. The banking industry hired one student. Cooperative Extension Service was the employer of one student; she has since returned to pursue a master's degree in the consumer field. One other was hired to do public relations work for an oil company.

Reactions to the Internship

Students are required to write a brief report of each day's work. The report also is to include reactions to the experience. At the end of the semester, the students are required to write an evaluation of the internship experience. One student said: "The time I spent working at the

Cornhusker Better Business Bureau has been one of the most eye opening experiences of my life. As a consumer, I was always under the impression that all big (and small) businesses were out to get all they could from the consumer. I felt that no one would take the blame for a faulty product or even stand behind their own merchandise. As a general rule, I must admit that my attitude toward big business was a negative one. During my time at the Better Business Bureau, I have come to realize how wrong my attitude was. I have seen letters from businesses that are willing to stand behind their product. They want to help the consumer. And on the other hand, I have seen and heard from consumers who are quick to call the Better Business Bureau and file a complaint before they've contacted the company or the manufacturer regarding their problem."

A second comment: "I feel that this supervised work experience (at the Attorney General's Office) was very interesting and will provide a good background for anyone interested in Consumer Affairs. ...Most of the projects I worked on required a great deal of telephoning. ...These assignments helped me get over my fear of calling strangers and gave me some experience in handling complaints directly."

A third person's comments were: "I felt quite privileged to have the opportunity to observe the Nebraska Supreme Court in action. I had always heard about the State Supreme Court but could never visualize what actually went on."

Still another student said: "By working at the State Department of Agriculture this semester, I was able to see and better understand the administration of state and local programs, standards and policies, professional relationships and application of techniques in planning and developing various programs. ...As far as the job of home economist is concerned, I was able to see what a wide range of responsibility and duties the job entails, as well as how many contacts she has with so many different people. For a job such as this, you have to be very organized, people-oriented, professional and open to new and changing ideas. ...I realize now how much she has to keep abreast ... and how innovative a person must be."

A follow up study of graduates in Consumer Affairs has been initiated. Preliminary findings from thirteen of a sample of about fifty people suggest a positive evaluation of the course. In response to the question "How do you rate the Supervised Experience in Consumer Affairs (EdFR 414G)?" three people (23 percent) said superior; six people (46 percent) said excellent; two people (15 percent) said good; and one person (7 percent) said fair.

Faculty Reaction

Arthur Chickering² reminds us that student learning is the main consideration in decisions regarding experiential learning. He also says there are secondary pay-offs for faculty. Faculty can see their insights and principles tested in reality. Chickering also says that a "collegial" relationship between students and faculty is another pay-off.

The University of Nebraska-Lincoln faculty has generally positive feelings about the experiential course. It has been an opportunity to watch students grow professionally. It has been an important vehicle for informing business and government leaders about curriculum in home economics. And, as Chickering³ says, the use of experiential learning broadens college offerings without the increased costs (capital investments, maintenance and personnel) to the college. Still another benefit for faculty is the contact with business and government as an aid to keeping up with changes in the field. Several students have found employment as a result of the internship course, which is indicative of the desirability of experience.

² Arthur W. Chickering. Experience and Learning - An Introduction to Experiential Learning, (New Rochelle, New York: Change Magazine Press, 1977), p. 65.

³ Ibid., p. 72.

POCKETWATCH: A COMPREHENSIVE PROJECT
IN COMPUTER-ASSISTED INSTRUCTION

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Abstract

The focus of this paper is on the procedure that was used to introduce a new family budgeting program through Extension in Missouri. The computer was featured as a teaching tool (via portable remote terminals) as a part of this procedure. The result was a comprehensive teaching package (POCKETWATCH) that has been field-tested and evaluated for usefulness in teaching money management concepts to the general public.⁴

Situation

An inflationary economy, high unemployment, rapidly rising prices of goods and services, and increasing use of credit are factors contributing to the financial uncertainties faced by many families in Missouri as well as in the rest of the nation. Families can better cope with financial uncertainty and achieve increased satisfaction from the use of their monetary resources by improving their financial management and decision-making skills.

The POCKETWATCH program, piloted by the Missouri Cooperative Extension Service from May through July 1979, was designed to be a part of a long-range educational program in money management for adults, including counseling services, non-credit short courses, and mass media. The pilot project had a dual purpose: to motivate clients to evaluate their financial management practices, and to design and test a procedure for educating the general public in money management.

The approach used in this project is not a completely new one to many of you. In fact, we drew heavily upon the experiences and information shared by extension personnel in a number of other states that have used this (or a similar) approach in computer-assisted instruction.⁵

¹Family Economics and Management Specialist

²Family Economics and Management Specialist

³State Family Economics and Management Specialist

⁴The software program used was "Speedy Spend", developed at Clemson University and available through Virginia Polytechnic Institute and State University.

⁵Texas, South Carolina, Michigan, Virginia, and Nebraska, among others.

We were then able to design a total, comprehensive teaching package, and test it in four different settings with varied clientele groups. We evaluated the effectiveness of the project and its' applicability for future program development efforts.

Objectives

The pilot project was designed to meet the following objectives:

1. to encourage project clientele to look at how their income is being spent and identify needed changes in future spending habits;
2. to encourage clientele to establish and/or evaluate their budget and record keeping system;
3. to create a public awareness of extension educational opportunities and identify potential audiences for future programs; and
4. to collect information about the effectiveness and public acceptance of this particular instructional procedure.

Methods

Several months ago, two area extension specialists were expressing a need for an innovative educational method to reach new audiences with family economics and management information. Their comments were overheard by a state extension specialist in family economics and management who had attended a conference on computer-assisted instruction.⁶ From the ensuing discussions, an idea was born-- and the POCKETWATCH project was created. The next step was to submit a proposal seeking funds for the necessary equipment and operating expenses. The proposal was consequently funded⁷ and the necessary computer access secured.⁸

⁶"Workshop on Future Directions in Computer Assisted Instruction in Extension Home Economics Programming," sponsored by Virginia Polytechnic Institute and State University, Rosslyn, Virginia, December 1977.

⁷Grant obtained through the University of Missouri-Columbia Extension Division.

⁸Computer accounts provided through the cooperation of the College of Home Economics, Department of Family Economics and Management at the University of Missouri-Columbia.

Two extension program planning areas in southwest Missouri were chosen as the pilot location for the POCKETWATCH project.⁹ These were the home base areas for the two area extension specialists involved in the project. Another consideration in selecting the location was the desire to test this approach in both metropolitan and rural settings. While both of these areas were predominantly rural in nature, they share a common metropolitan commerce center.

The project was eventually presented in the following environments: a shopping mall (serving a city of 45,000 people); two outdoor festivals (one in a town of 10,000 people, the other a town of 625); and in a commercial bank (in a town of 1,600).¹⁰

Financing

Expenses for the project included telephone installation and long distance charges, computer time, space rental, advertising, travel, and refreshments for volunteer helpers.

Funding sources included special grants, user fees, and contributions from county extension councils and local businesses. (We found commercial businesses and banks to be quite willing to help pay expenses; in return they were publicized as co-sponsors of the event.)

A fee of \$1.00 per client was charged to partially recover costs. It was thought this amount would not discourage low income families, and might encourage clients to have a continuing interest in a program in which they had made an investment of money, as well as time. (The cost of processing a budget averaged \$1.50, including both computer time and long distance telephone charges.)

Volunteers

Thirty-three well trained enthusiastic volunteer assistants were an essential ingredient to the success of the project. Qualities that were sought in the volunteers included an eagerness to learn, interest in helping others, ability to work with budget concepts, flexibility, and recognition of the need for confidentiality. They were trained to work as greeters, terminal operators, and volunteer-counselors. The volunteers were contacted at least 3 to 4 weeks prior to an event; the training sessions were held 2 weeks later. A training manual was developed to aid in this process as well as a videotape.

⁹Extension program planning areas (consisting of 4 and 6 counties, respectively): Ozark Gateway and Kaysinger Basin.

¹⁰Joplin, Nevada, Pineville, and Warsaw, Missouri.

Scheduling

It was necessary to start at least 2 months ahead of a scheduled event to organize a POCKETWATCH program. Six to eight weeks in advance of the date, a location and operating times were determined. Once this was done, fees could be set and a budget and promotion plan developed.

Procedure

The standard procedure for each POCKETWATCH event included a team of 8 people (2 family economics and management specialists, 2 volunteers serving as greeters, 1 terminal operator, and 3 additional volunteer-counselors) to explain the printouts and answer client's questions. As people passed the display, they were approached by the greeters. If they expressed interest in the project, they were given an input data form to complete.

The clients were then directed to the computer terminal. They often appeared fascinated as the "machine" took their personal estimates of expenditures and printed out an analysis of their budget in relation to a "comparative budget", much faster than an extension specialist could do the calculations. The client was then directed, with printout in hand, to one of the volunteer-counselors who answered questions about the printout. The volunteer-counselors also made suggestions on expenditure categories where the client might benefit from keeping a spending record, or from making adjustments in their spending habits. The volunteers tried to use a positive approach--and also point out areas where the client seemed to be using good money management practices.

(If a volunteer-counselor felt inadequate in answering a certain question, she referred the client to one of the family economics and management specialists for a consultation.) At the conclusion of sessions with the volunteer-counselor, extension publications were distributed and clients were asked to complete the project evaluation form.

Publicity and Promotion

Coordinated promotional materials were designed (with an identifying logo) that included brochures, flyers, and posters. The brochures were used with each client and contained three sections: general information about the project, input form for client's data, and evaluation form. Radio, television, and newspapers were also used to publicize the POCKETWATCH events. Letters and special mailings to local extension council members and community leaders helped create grassroots support for the project.

Evaluation

Two types of evaluations were used with the POCKETWATCH program. The first was administered at the time of each event of the project. A post-evaluation survey was conducted 4 to 6 months later.

Initial Evaluation

The initial evaluation was designed to provide information about certain characteristics of the clientele and information about their needs and interests relevant to future extension educational programming (see Objectives 3 and 4).

161 people had budgets processed in the 4 locations.

144 participated in the program evaluation and supplied their name and address for the post-evaluation.

94% of the participants felt POCKETWATCH gave them some new ideas on managing their money.

70% said they were already keeping some financial records.

37% requested further information.

Budgeting, savings, investments, food and transportation (listed from 1st choice to 5th) were the most frequently chosen topics for future programs. Short courses, printed bulletins, and individual conferences were the favored methods for receiving information. Television and newspapers appeared to be the most effective media for reaching this audience.

Participants supplied income and expense information which showed the following profile of program participants:

Annual take-home pay	\$12,949.90
Monthly food expense	167.97
Monthly car payment	157.97
Rent/mortgage payment	170.37
Monthly utility bill	89.98
Monthly installment debt	112.98
Other fixed expenses/month	92.95

Average number of people in family	2.88
Number of cars per family	1.87

The range of income and expense figures were:

Annual take-home pay	\$2,508-\$36,048
Monthly food expense	30-600
Monthly car payment	44-1,427
Rent/mortgage payment	2-500
Monthly utility bill	25-275
Monthly installment debt	10-1,300
Other fixed expense/month	10-750

Average number of people in family	1-9
Number of cars per family	0-8

Post-Evaluation

The post-evaluation was designed to determine program participants' changes in their knowledge, attitudes, skills, or behavior in relation to money management. A questionnaire was mailed 4 to 6 months after the initial POCKETWATCH program. Forty of one hundred forty-five questionnaires were returned, representing a 27.7% return rate.

Attitude. Sixty percent of the participants returning post-evaluations indicated they were "somewhat more satisfied" with the way their family spent money 4 to 6 months after their participation in POCKETWATCH. The remaining participants were almost equally divided between "a great deal more satisfied (20%) with the way their family spent money," and "no more satisfied" (18%).

Behavior. Thirty-eight percent of the participants in the post-evaluation indicated they already had written budgets when they first participated in POCKETWATCH. Approximately half (53%) of this group revised their budgets based on the information provided by their computer printout.

Of the 60% who did not have budgets when they first participated in POCKETWATCH, 37% used the computer printout to develop a budget or spending plan.

Sixty-nine percent of the post-evaluation participants did make changes in the way their family handled money. Overall, the 40 respondents indicated they made a total of 39 changes in their money management practices. The most frequent changes were: started keeping records of spending (28%), cut back spending (28%), adjusted an existing budget (20%), developed a budget (15%), and revised a record keeping system (8%). One person indicated increased savings.

The computer's recommendations for cutting expenses were followed in 20 instances. Participants indicated they cut expenses in 21 other categories even though these cuts were not specifically recommended by the computer. Recommendations were not followed in 21 cases.

Program Planning. The computer printout was viewed as accurately showing how families spend their money in 63% of the cases. Twenty-eight percent felt it was not accurate and 5% felt it was accurate in some of the expense categories, but not all.

Other programs using computer-assisted instruction have been conducted and more are planned. Uses with business employees and limited resource families are being investigated as well as a mail-in program.

Concluding Comments

It was our conclusion that we were able to reach our four original objectives through this project. In addition, this method has the potential to be a cost-efficient and time-saving procedure for effectively introducing certain money management concepts to large numbers of people. Other programs using computer-assisted instruction have been conducted in Missouri following this project, and more are being planned. This project served to introduce only one such approach. Many others are possible. In fact, we are limited only by our imagination in the number of creative programs that can be conceived. Other possible uses for the computer for Missouri extension are being investigated. The results of this project may prove to have implications for future extension programming efforts in Missouri.