

Consumer Education in the 1990's

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A few months ago I received the following letter:

Dear Government:

It is not fair, that we don't have flying skateboards in Virginia, as seen in Back to the Future 3. I am protesting the unfairness shown to children. Children should wear protective gear on both wheel and flying skateboards. I am six years old, and my Mom says "It's okay."

Yours sincerely,
Benjamin

The young consumer who wrote that letter, while having a specific complaint, had also been educated, probably by his parents, about the important safety factors related to the use of "flying skateboards," or any skateboard, for that matter. And, in my letter back to him, I reinforced what he had already been told about safety.

Unfortunately, I also had to tell him about the fantasy creations of Hollywood--in this case, that flying skateboards had not yet been invented.

Then, yesterday in California, I woke up to the sound of a news commentator talking about the dangerous effects of some diets. The commentator went on to say that, basically, many of the diets currently available to consumers are safe.

But, health problems do occur when consumers begin a drastic weight loss program without first checking with their doctors--ignoring the advice many diet programs offer--or use the diet without proper supervision.

Perhaps a greater threat than ignorance, however, is those who seek to prey on that ignorance. I am speaking, of course, about unscrupulous individuals who blatantly misrepresent themselves and their weight-loss products.

As I watched the commercials, I thought certainly I would like to melt the fat off my body and tone my muscles while I sleep. But, it sounds too good to be true, and logic tells me the laws of nature just don't work that way.

So how do we pass that healthy skepticism on to consumers? We know that the Federal Trade Commission has been actively pursuing fraudulent weight loss plans since 1926, and is going after the most egregious and potentially harmful schemes, such as diet pills said to work during sleep, mail-order starvation/binge plans, or ear molds that allegedly use an acupuncture-type technique to reduce appetite.

This is just the tip of the iceberg in the dilemma we face as consumer researchers, educators, and advocates. Should we simply provide reading material and advice to consumers, and trust them to use common sense to make their own decisions?

Or, do we assume that most consumers are incapable of making the proper choice, and try to involve a government consumer protection officer in every situation with the authority to make the decisions for them?

These are two extremes of course--because we have learned enough to know that it requires some of both approaches. However, the informed consumer is most likely to be his or her own best guard against hidden dangers of the marketplace. But they must know what those dangers are.

This dilemma--of who is best able to make marketplace decisions--underpins a very important document in the history of consumerism. That is, the Consumers Bill of Rights.

When President Kennedy first established the Bill of Rights in 1962, his intent was not only to assure consumers their rights, but also to reinforce the idea that consumers have the responsibility to exercise their rights.

And, recognizing that consumers have both a right to be informed, and a responsibility to take time to inform themselves, President Ford added consumer education to the Consumers Bill of Rights in 1975.

In doing so, he said:

"The time has now come to recognize a fifth right--one without which consumers cannot gain the full benefit of the other four. This is the right to consumer education."

And he went on to say:

"It is my earnest hope that consumer education will become an integral part of the regular school instruction, community services and educational programs for people out of school."

President Ford's statement puts consumer education in the context of overall education, and survival skills. Education, including consumer education, is a life-long process. It takes place in context of the times in which we live, in response to the demands of current events, and in preparation for the future. Therefore, it requires use to use new approaches and new methodologies.

The 1990s--and the challenging new century we are about to enter--demand that we prepare individuals of all ages, backgrounds, languages, and ethnicity to enter a rapidly changing and highly technical society.

In response to these demands, the focus on education has been changed from the responsibility

of just the schools, to the joint responsibility of students, parents, teachers, administrators, local, state and Federal government, business and industry, and the entire community that depends on schools for its quality of life.

Likewise, the demands of the 1990's have led us to take a much more inclusive view of consumerism than we have in the past. A view that takes into consideration every aspect of our lives, and the skills we need to make the marketplace adapt to our needs.

One example which comes immediately to mind is that the President has broadened the definition of consumerism to include two vital needs of families today: education and child care.

There are those who question whether this devalues the traditional definition of consumerism. Personally, I believe it strengthens it.

We should acknowledge the definition of consumerism should include many other areas of our lives--such as:

- * choosing the best educational program for our children
- * selecting the best child care program for our family's needs
- * voicing our desire that transportation systems be accessible to the disabled; and
- * demanding that airlines be smoke-free.

And in the process, we become more active in educating ourselves and others about the marketplace and exercising our rights to enjoy its full benefits.

As a part of this more inclusive view of consumerism, the broadened view of consumer education to which I alluded earlier is highly appropriate.

It places the responsibility for consumer education not only on consumer educators and researchers, but also on local, state, and Federal government, private industry, private sector groups, and, yes, the individual consumer.

Joint responsibility can work to the benefit of consumers. During this three day conference, you will have touched on practically every topic that I might raise. Believe me, I know that you in this room are experts.

So, for just a few minutes, I'd like to focus on a few prominent areas where consumer education is critical, and some of the approaches directed at addressing these needs.

One area we've heard a lot about, as a result of recent media attention on the demise of oat bran, and the availability of Simplese, is the relationship between nutrition and health. In an effort to assist consumers in identifying foods for a healthy diet, Health and Human Services Secretary Sullivan has or is planning to issue a number of

proposed regulations to reform food labeling. Under one proposal, the Food and Drug Administration can ban misleading health claims, yet still allow manufacturers to make truthful health claims based on scientific evidence that: a high fiber intake may lead to a decreased risk of cancer; lower levels of fats, cholesterol and sodium may lessen the risk of heart disease; and calcium may contribute to the prevention of osteoporosis.

The regulation of health claims is also written to address total diet, so it will prevent one health claim from overshadowing the entire product. Thus, consumers will no longer be fooled into thinking a "high fiber" claim makes the product a healthy choice if the product also contains high amounts of saturated fats.

Health claims represent just one area of concern, however. At a recent food policy conference in Washington, D.C., Secretary Sullivan outlined another FDA initiative on nutritional labeling.

In addition to mandating nutrition labels for packaged foods, and defining terms such as "light" and "high fiber," the FDA is also reviewing food label formats to find which are easiest to understand and use. Ideas include use of charts or graphs. The FDA plans to identify a variety of alternative formats, and then test them with consumers to determine which format works best.

While HHS is taking the lead in this effort, food labeling reform would not be possible without industry and private interest group input and cooperation.

Two other policy areas come to mind when I think of how industry and private interest groups are best able to provide for consumer education. One area is product liability, an issue that evokes a number of emotions. Three basic principles are guiding the Administration's approach in reforming product liability:

- * Fair and speedy compensation for actual damages suffered as a result of unsafe or defective products.
- * Strong incentives for the design and manufacture of safe products.
- * Access to a wide range of innovative products at reasonable prices.

It would be naive to assume, however, that such reforms will be effective if consumers lack knowledge in how to use the system. Consumers need to be aware of and understand all of these options, and both their benefits and drawbacks.

If consumers' rights are to be protected, business and consumer representatives must come together to discover common ground. They must begin a dialogue on how to balance consumer redress with our nation's ability to compete and bring new products to the market.

I am pleased that such a meeting did occur this February, when representatives of six consumer

groups met with members of the Council of Competitiveness, chaired by Vice President Quayle. While complete agreement on this issue may not be possible, the first step toward a working relationship has been taken, and I hope that both sides will proceed in good faith.

A second and less contentious policy area wherein business and private sector groups are taking the lead in consumer education is consumer privacy. The concern here is that the balance between the consumer's right to privacy and business's need for information has become quite unbalanced, given the quickening pace of technological programs.

That progress has outpaced consumers' ability to protect their privacy of information, medical and insurance records, direct marketing, and telecommunications. We've learned a great deal from meeting with industry members, consumer leaders, legislators, and regulators. We believe that much of what we have learned should be passed on to consumers.

A major responsibility of industry is to help educate consumers, across the board, about how personal information about them is gathered, analyzed, grouped into lists and rented or sold, or otherwise used, without their knowledge or consent. Consumers deserve to know about this process, and should have choices.

We recommend that this education take place in a variety of ways and places--in bill stuffers, in the schools, in adult education centers and seminars, through advertising and other media formats, and in the workplace. Benefiting from this educational process, consumers can exercise better control of their personal lives, as they choose.

In an effort to expand the educational process, Linda Golodner of the National Consumers League is sponsoring a conference on privacy in cooperation with my office. The conference is scheduled for late June, so final details on the agenda are still pending.

A number of industry groups have contributed a great deal to consumer education through private research initiatives. One example is the Alliance Against Telemarketing Fraud's ongoing campaign to educate consumers on how to protect themselves from telephone swindles.

Another research effort that I am excited about that will help identify specific consumer education needs across a wide range of areas is now underway, through the leadership of Steve Brobeck of the Consumer Federation of American.

CFA's consumer competency survey was developed in cooperation with some of you in this audience. Our office had the opportunity to participate, and when it is completed and the results are announced, it will go a long way in identifying needs for consumer education.

Sometimes, however, private sector consumer groups' efforts are designed more to advance their own agendas than to educate consumers. One area in

which interest groups have been especially active is food safety, focusing on the use of pesticides.

Here the challenge is to translate the process of scientific measurement--of carcinogens, for example--into risks and benefits that consumers can clearly understand. More importantly, we need to give consumers a balanced picture, so that they learn the risks of not using pesticides as well.

The same is true in addressing the issue of biotechnology. Its application to pharmaceuticals has made available cheaper, more effective drugs to treat a wider universe of illnesses. Its application to agriculture has made available better quality and cheaper produce. Clearly, the communication of risk is one area where your expertise is desperately needed. Clearly, the average consumer will not understand this technology, and some communities are at a particular disadvantage.

During National Consumer's Week, we will begin our outreach to those consumer groups whose contribution to our economy is often overlooked, including the low-income, minority, elderly, disabled consumers, and especially children.

With regard to minority consumers, we are sponsoring a leadership conference on minority consumer issues, addressing particular concerns of African-Americans, Hispanic, Asian, Native American and other minority consumers.

Secretary Sullivan is keynoting the conference, and will discuss both FDA's food labeling initiatives, and development of educational self-help mechanisms that can improve overall consumer behavior in the marketplace. This includes making better nutrition and health choices for themselves.

The buying power of minority consumers is increasing, and they are becoming a more attractive consumer segment for advertisers and marketers. And, according to the Hudson Institute's Work Force 2000 report, minorities and new immigrants will comprise a significant percentage of our nation's labor growth in the next ten years.

For some, especially recent immigrants, the customs of their home countries may be much different. For example, they may feel uncomfortable complaining about an inferior product or service. Language barriers may exist which prevent them from taking advantage of some written materials, and, additionally, they may not have yet learned how to adapt their buying habits and the way they make purchasing decisions to their increasing income.

Clearly, to provide the proper educational materials to help address minority consumer problems, we need to increase our knowledge about minority consumers' expectations in the marketplace.

This lack of knowledge and the urgency of the problems they face--nutrition and health, and consumer credit, for example--provides good justification for research on minority consumer behavior.

As consumer affairs specialists in research and education, we can contribute significantly to the betterment of minority consumers. I hope you will consider this as a part of your own agenda for consumer research and development of consumer education materials.

I truly believe consumer education in the 1990's will be more important than ever before. It will be the joint responsibility of government, industry, private sector groups, consumers, and educators and researchers like yourselves. We all share the responsibility for educating consumers. By working together, consumer education can occur, again, in the context of survival skills, along with public and private efforts to develop policy responses that resolve consumer concerns.

In closing, I would like to share this advice from Robert Fulghum, offered in All I Ever Needed to Know I learned in Kindergarten: "Everything we need to know is in there somewhere. The Golden Rule and love and basic sanitation. Ecology and politics and equality and sane living."

He goes on to say, "Take any one of those items and extrapolate it into sophisticated adult terms and apply it to your family life or your work life or your government or your world, and it holds true and clear and firm."

Think what a better world it would be if we all--the whole world--had cookies and milk about three o'clock every afternoon and then lay down with our blankies for a nap. Or if all governments had a basic policy to always put things back where they found them had to clean up their own mess."

And finally, he says, "It is still true, no matter how old you are--when you go out into the world, it is best to hold hands and stick together."