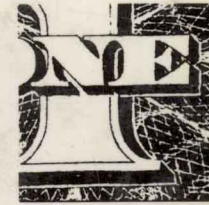
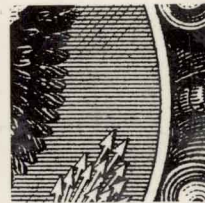
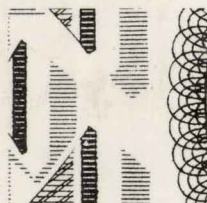
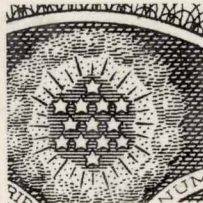


Economic Issues for Consumers

Third Edition
Roger LeRoy Miller



Roger LeRoy Miller
University of Miami

ECONOMIC ISSUES FOR CONSUMERS

Third Edition

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Preface

A new decade. Are things getting better for the American consumer? Hardly. Consumers in this country are faced with some of the highest rates of inflation in the peacetime history of the United States. Energy and food prices, as well as medical care expenses, are skyrocketing. Career planning is becoming even more important as college graduates find that jobs are just not available in certain fields. The 1980s are indeed a time of change and trouble—the quest to become a rational consumer must continue into the eighties.

THE FORMAT OF THE BOOK – CHAPTERS AND ISSUES

You will notice a somewhat unusual format throughout the following pages. I have attempted to present the major areas of consumer economics in chapter form. At the end of many of these chapters, a Consumer Issue has been presented. For example, after an explanation of what inflation is and how it affects the consumer, an Issue follows that outlines how the individual can best protect himself or herself against the ravages of inflation. As another example, after the chapter on food, a Consumer Issue outlines the steps that the individual can take to become a better food-shopper. To a large extent, the consumer issues offer more practical advice than do the chapters.

PEDAGOGICAL AIDS

Students will find a number of pedagogical aids in both the chapters and the consumer issues. Each chapter starts off with a Chapter Preview that indicates to the reader what will be covered. Then, to “ease the blow” of

the new terminology, a Glossary of Terms that might not be known to the reader is presented before the actual text begins. At the end of each chapter, there is a point-by-point Summary that can be used for review. Then, Questions for Thought and Discussion that follow the Summary may be used as the basis for class discussion or as the basis for individual thought or even group discussions without the aid of an instructor. Things to Do gives some projects that a class can do as a group or that individuals can do at the request of the professor or on their own. Lastly, Selected Readings are presented. This list is not merely a rundown of academic articles that students can never hope to understand. Rather, it presents some alternative sources of reading for those students who wish further explanations of certain sections of the chapter.

The consumer issues have basically the same pedagogical devices, except that there is no Preview and the Issue Summary gives more practical hints on certain consumer decision-making problems.

ILLUSTRATIVE MATERIALS

You will notice a wide use of illustrative materials—photographs, charts, and cartoons. In my experience, visualization of certain ideas not only aids the student in understanding the material but also makes the task of reading the text more enjoyable.

KEY CHANGES IN THE THIRD EDITION

So many things have happened since the publication of the Second Edition that I have felt it necessary to make significant changes in this Third Edition. Below I list the new chapters and the new issues.

New Chapters

Chapter 9 Consumer Energy: Examines current energy situation, options available, and alternative sources

Chapter 10 Banks and the Banking System: Highlights important changes in the banking system as a result of the Depository Institutions Deregulation and Monetary Control Act of 1980

Chapter 19 Saving: Why we save; how much we save; alternatives to saving, taking account of recent changes and rules governing savings institutions

New Consumer Issues

Consumer Issue D How to Choose and Start a Career: Detailed information on how to search for a career

Consumer Issue G Cutting Down on Energy Costs: Step-by-step methods for conserving energy

Consumer Issue H How to Choose a Bank: Hints on how to select the right bank

Consumer Issue R How to Save: Savings outlets and how to get the best deal

New Appendices

There are also several new appendices for this third edition.

Appendix I Personal Bankruptcy: Reflects all the recent changes subsequent to the 1978 Bankruptcy Act

Appendix II Providing for the Ultimate Expense: Discusses funeral arrangements and things to examine carefully

Appendix III How to Make Out Your Will: What you have to do to make sure your estate is properly taken care of

Appendix IV Estate Planning Considerations for Women: The special considerations for females in today's complex society

Other Changes

The following chapters and issues had significant changes made.

Consumer Issue B How to Use a Small Claims Court: Completely updated to reflect new changes in small claims court procedures and filing fees

Consumer Issue C Making a Decision About Children: Updated to reflect the dramatically increasing cost of raising a child

Chapter 8 The High Cost of Living and Consumer Issue F Protecting Yourself Against Inflation: Reflect the changing inflationary society in which we live and take account of recent and prolonged upsurges in the rate of inflation

Chapter 12 The \$400 Billion Stomach: Has been significantly expanded to take account of rising concerns over preservatives, additives, nutritional labeling, and what constitutes "good" diet

Chapter 13 More Than Just Keeping Warm: Expanded greatly

Chapter 14 Putting a Roof Over Your Head: All new information reflecting dramatic changes in the housing market; information on new roll over rate mortgages (RRMs)

Consumer Issue O Buying Transportation: New studies show the cost comparisons for large versus small cars

Chapter 20 Investing: Significantly updated to take account of alternative investment outlets

Of course, all tables, charts and graphs have been thoroughly updated. All references have been rechecked, updated and edited whenever necessary.

SUPPLEMENTARY MATERIALS

A practical and easily understandable *Student Workbook* has again been provided by Dr. Phillis Basile. Students using it will find the text material more interesting and understandable. Moreover, they will be better able to apply the principles of rational decision making to practical problems.

The *Instructor's Manual* has also been expanded and improved by Dr. Basile. She has added and changed test items where necessary. Those test items have the answers included.

ACKNOWLEDGMENTS

Major reviewers who offered detailed criticism for the First Edition were as follows:

Professor Howard Alsey
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A large number of extremely conscientious instructors helped me with the Second Edition revision. They are, in alphabetical order, as follows:

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California State Polytechnic University
San Luis Obispo

It goes without saying that I am extremely appreciative of the tremendous help that the above reviewers provided to me. Without them, I believe that this Third Edition would not be as complete and accurate as I think it now is.

I have found through the years that the best way I can improve on what I write is by soliciting the comments of those who use my texts. I therefore stand ready to answer any and all comments, criticisms, or questions relating to what follows in this book. It is with the help of those who want the best for their students that I can find out what is best for the ultimate reader of *Economic Issues for Consumers*.

RLM
Coral Gables, 1981

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