

Consumer Education and Economics

FOURTH EDITION



Consumer Education and Economics

Fourth Edition

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To the Student

THE IMPORTANCE OF CONSUMER EDUCATION

Today, more than ever before, individual and family consumers are faced with certain fundamental questions. How can they keep up with the rising cost of living? What are the basic economic principles that they should apply to spending decisions? How can they cope with the increasing complexity of the marketplace and the goods and services it offers? Perhaps most fundamental of all, how can they distinguish between wise and unwise buying decisions? In order to deal effectively with these questions, today's consumers must be informed.

The major objective of *Consumer Education and Economics* and its supplementary materials is to help you become an informed consumer. To meet its main objective, *Consumer Education and Economics* focuses on the specific consumer issues you will encounter during both your school years and adult life. After studying the text, you should be able to demonstrate an understanding of the following concepts and skills:

1. How our economy functions
2. How to make purchases wisely
3. How to manage money to best advantage
4. How to evaluate sales and advertising practices
5. How to guard against fraudulent or deceptive sales practices
6. How to be socially responsible

UNIT ORGANIZATION

The text is organized in twelve units. Unit 1 provides the basis for an understanding of the consumer's role in our economy. Unit 2 and 3 deal with money management. Units 4 and 5 discuss the advantages and disadvantages of credit. Unit 6 covers the various types of insurance. Units 7 through 11 examine buying practices and problems related to specific goods and services such as transportation, clothing, food, housing, and health and legal care. Unit 12 discusses social responsibility, including citizenship and the environment.

Each unit in *Consumer Education and Economics* begins with a unit opener which contains an Attitude Inventory. An Attitude inventory is designed to gauge your perceptions of the subject matter contained in the unit both before and after reading the unit.

CHAPTER ORGANIZATION

The units themselves are divided into two to four chapters. Each chapter begins with a chapter opener. These two pages list the objectives of the chapter and the key consumer terms.

Throughout the text, vocabulary is given special treatment. As in any specialized field, consumer education has developed a terminology



peculiarly its own: Universal Product Code, warranty of merchantability, unit pricing. Vocabulary is presented in three steps. First, key terms are introduced and defined at the beginning of each chapter. Second, each term appears in boldface type when it is given its first or principal use in the text. Third, the key terms are used in a vocabulary exercise at the end of each chapter. Each chapter ends with chapter review activities designed to help you review chapter content. The activities include simple content review (*Reviewing Consumer Terms* and *Reviewing Facts and Ideas*), applications (*Problem Solving and Decision Making* and *Building Academic Skills*), outside research (*Consumer Projects*), and cooperative learning activities (*Family Economics* and *Debate the Issue*). Used together, these exercises provide both immediate and long-term reinforcement of newly introduced material.

CHAPTER FEATURES

Each chapter contains interesting facts and features.

- **“Real World Journal”** is a journal writing exercise found on the chapter opening pages. This activity gives you an opportunity to investigate and record how consumer economics concepts relate to your life.
- **“People Making A Difference”** focuses on people who have made a significant contribution to their community. The feature asks you to brainstorm ways that you can contribute to your community.
- **“Dollars & Sense”** gives short tips on how to budget and save.
- **“The Global Consumer”** tells facts that relate chapter content to consumers in the rest of the world.
- **“Flashback—Flashforward”** provides “Did you know?” type facts about what it was like to be a consumer 25–50 years ago compared with today.
- **“Consumer News Clips”** are consumer news articles from newspapers and magazines such as *The Wall Street Journal* and *Time*.
- **“Careers in Focus”** investigates consumer careers related to the unit.

As you will learn from reading this text, it is easy to be a consumer. It takes education, however, to become a wise consumer. *Consumer Education and Economics* provides you with the essential knowledge and know-how needed for a lifetime of wise consumerism!

Ross E. Lowe
Charles A. Malouf
Annette R. Jacobson

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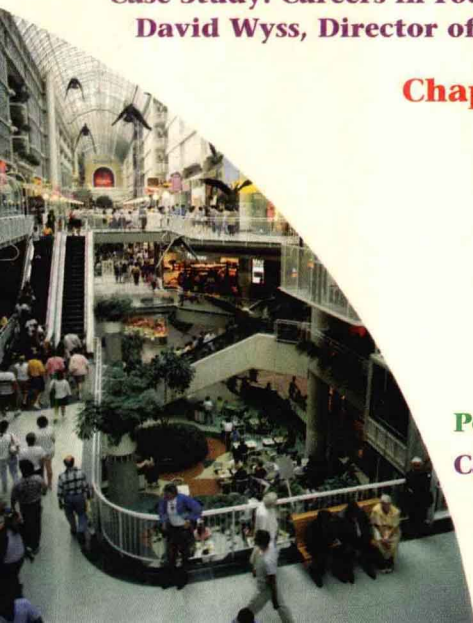
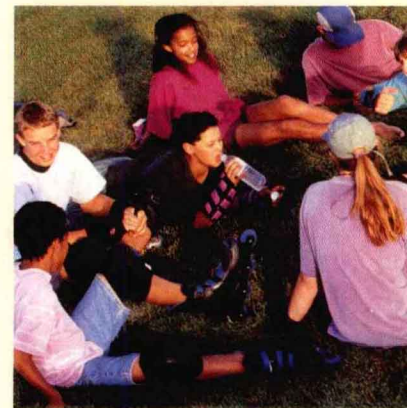
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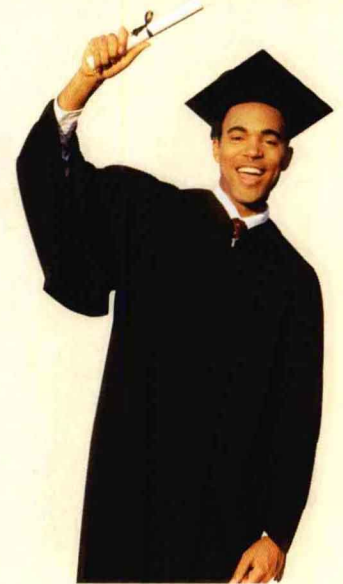


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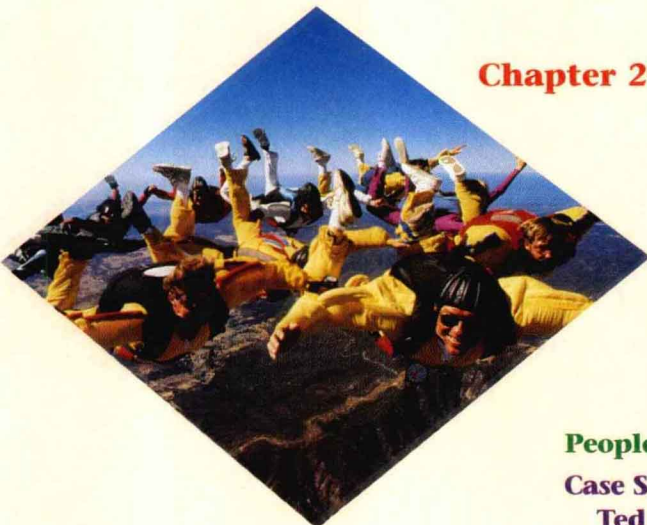




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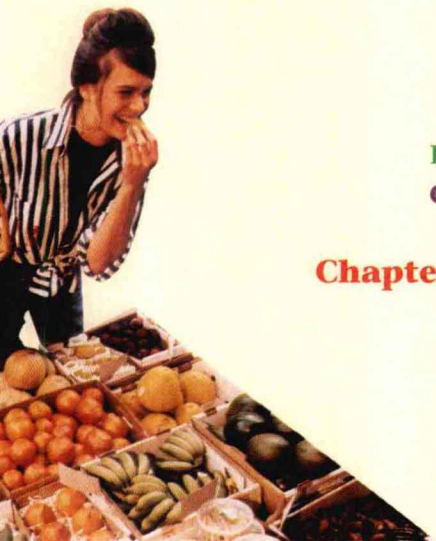
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You in the Economy

Attitude Inventory

Before you begin Chapter 1, take stock of your attitudes by completing the following inventory. Read each statement and decide how you feel about it—agree, disagree, or undecided. Record your feelings on a sheet of notepaper or use the form in the Student Activity Workbook.

- 1.** Government agencies offer consumers the best protection against dishonest or misleading selling practices.
- 2.** People should not expect government services unless they are willing to pay for them with higher taxes.
- 3.** Good citizens refrain from using public services and instead rely on themselves.
- 4.** For every consumer right, there is a related responsibility.
- 5.** If businesses would just lower their prices, there would be enough goods and services for everyone, and the businesses themselves would prosper.
- 6.** Government should tax imports in order to protect American products and American jobs.
- 7.** People with higher incomes should pay income taxes at higher rates than people with lower incomes.
- 8.** Entrepreneurs are people who get rich at the expense of consumers.
- 9.** A healthy economic system provides people with low prices and high wages.
- 10.** Income taxes should be raised in order to maintain government services and reduce the federal debt.
- 11.** Federal, state, and local governments spend their tax money on very different things.
- 12.** Gifts of money from one person to another should not be subject to taxation.