

for free carryout or delivery, no-interest credit cards, and other services are hidden in merchandise prices.

A complex economy requires consumers to actively participate in general economic affairs and the shaping of the many relationships between producers and government. Consumers elect the legislators who make the laws. Consumers should present their problems and views direct to producers as well as to government officials where needed. Consumers can assist in improving product safety, helping maintain reasonable prices, and raising the quality of goods not only by buying wisely, but by addressing themselves to economic and consumer problems.

It's a mutual responsibility among consumers to seek to maintain or restore competition among producers and to improve the ways in which producers make and sell their products and services.

And who knows? This may lead to a better turnout.

Are You a Sharp Consumer? Try This Check List

NOTHING PLEASES the consumer more than the realization that a purchase has proved worthwhile. However, the tremendous assortment of products and services at the marketplace is causing perplexing problems for today's consumer. Of prime importance is the decision-making capability to use money for goods and services that provide maximum satisfaction.

Good decision making begins with a clear appraisal of the needs and wants of your family.

Ask yourself: What is important to us now and in the future? Do we have specific facts about the product or services we are considering? What order

of priority do we want to give these needs and wants?

Recognizing the difference between needs and wants and the conflicts they cause in the use of resources can help you set priorities. A need actually is a *lack of something* which, if allowed to continue, can harm the individual. For example, lack of proper food can result in physical illness. In contrast, wants are *desires for goods and services* we develop as we observe what others do and want.

Your values influence decisions which determine the actions you take as you manage your resources to obtain what you want in life. Values provide the force that makes people work toward goals. An understanding of your values provides a basis for setting goals for the use of all your resources.

The family or person that identifies values, sets goals, and plans the use of resources will achieve a balance of wants, needs, and resources.

Earning money is important, but how you use it is more important. Good shopping habits can help you increase your buying power to reach more goals with your money.

When making a decision about any major expenditure for goods or services you may be frustrated by the number of choices you have. This chapter incorporates a check list to help you be a more effective consumer.

Sometimes a purchase is disappointing because the item failed to live up to claims made about it. Take your complaint to the seller when this occurs. If he doesn't help, try the manufacturer or contact a consumer protection agency or organization.

Other times a product disappoints you because circumstances change. In our fast-moving society new information and products appear daily. At times you will prefer new products and features,

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or you will find new facts which change your mind about the best product for you.

Accept these changes. Respect decisions you made yesterday—remember they were based on information and products available at the time. Be flexible with your decisions to allow for change.

Some buying decisions are more important than others.

To help you decide whether you need to spend time and effort, ask yourself these questions:

- How much money is involved?
- What risks are involved?
- Can you afford to make a mistake?
- What are the consequences if a mistake is made?
- How long will the consequences be felt?
- Is the purchase urgent?
- Can you do without it?

Major buying decisions concern purchases which involve a large amount

of money, must last a long time, and are expected to give much service.

Make it a rule to “sleep on” a major purchase. The offer should be just as good the next day. The extra time and thought put into making decisions will pay off in satisfaction.

Minor buying decisions involve smaller amounts of money and usually have a shorter life expectancy.

Being an effective consumer in today's world involves time and energy, a willingness to seek information about products, as well as decision-making and money management skills. Manufacturers provide products to meet consumer demands.

Only by assuming the responsibility of planning, shopping carefully, and following manufacturers' instructions, can consumers continue to find quality products to meet family needs.

The kind of consumer you are today may well determine not only your economic prosperity but your economic survival as well.



Analyze family expenditures to see if a major purchase will fit into the family budget.

Check List for Effective Consumer Practices



Do you plan your purchases for a year or more in advance? (For example, purchases such as a car, carpeting, family health insurance?)

Yes No

Do you set up a savings plan far enough in advance to pay cash or make a large down payment? (This practice allows you to buy when goods and services are on sale. Large down payments or cash purchases save paying interest.)

Yes No

Have you considered a savings plan for items you will need to replace? (Few purchases can be made only once in a lifetime. By considering the life expectancy of major purchases, cash can be saved to replace them.)

Yes No

Have you figured how these purchases fit into your overall plans for using family income? (Consider total family expenditures now and in the near future to be sure that all fixed expenditures can be met.)

Yes No

Will this be a long-term or continuing expenditure? (For example, some life insurance policy premiums are paid until a certain age or through a lifetime. Expenditures such as a home improvement loan or home mortgage may be paid monthly for 5 to 30 years.)

Yes No

Do you take into consideration what you have on hand before shopping? (By buying products that complement what you already own you can avoid disappointment and dissatisfaction. For example, a new lemon yellow refrigerator may make your old coppertone range look very out of place.)

Yes No

Have you identified needs and wants before going to buy? (For example, you may need a car, but want the most expensive features.)

Yes No

Have you thought about taking care of *needs* first? (If wants will fit into the overall budget, they, too, can be satisfied. Buying choices made today affect the future choices you make. For example, buying a color television-record player-radio combination commits you to future expense for repairs and maintenance, possibly restricting choices in other areas of future spending.)

Yes No

Have you determined the *real cost* of the item you choose to buy? (Real cost is what you have to give up or do without to afford this purchase. As you think about your needs, identify the requirements to satisfy them.)

Yes No

Do you expect your purchase to last a long time? (Durable, high-quality products can be expected to last longer than poorly constructed, cheaper products.)

Yes No

Have you made a detailed list of all the features you expect to get? (Color, size, style, model, construction, durability, appearance, ease of use and care, safety features, and storage requirements.)

Yes No

Have you considered installation, operating and service costs? (Be certain that adequate, reasonably priced service will be available for equipment and other items. For instance, a car purchase is only a fraction of the total cost resulting from depreciation, maintenance and repair, and other operating expenses.)

Yes No

Have you rated the desired qualities and characteristics in order of importance to you? (This serves as a check when you shop. It helps you avoid impulse buying. Be willing to compromise on less important points when necessary.)

Yes No

Have you decided how much you have to spend? (Study the total spending for all family needs to see where you stand. The amount of money you have determines how many extra features, special characteristics, and perhaps the quality that you can afford. Be realistic in the amount of money you can spend.)

Yes No



Above, shopping for credit is important. Right, shopping for a car is a family affair. Below right, read and understand the warranty before buying a large appliance.

Will you use credit? (If credit, what type: 30-day charge account, revolving charge account, monthly installment plan, or personal loan to make cash payment?) Yes No

Will you pay cash? (Cash is usually the preferred method; however, credit lets you use the item while making payments.) Yes No

Is the item worth the interest cost you pay for credit? (It is easy to overbuy or to spend more than you can afford with use of credit. Assume no more debt than you can safely repay out of current income.)

Yes No

Have you taken enough time to shop for the right buy? (Shopping in a hurry may result in hard-to-live-with choices. Making last minute purchases can be an expensive habit. There are more than financial resources involved in making a purchase.) Yes No

Do you shop when you are tired? (Shopping when you are fatigued, depressed, or not well physically may lead to poor choices, impulse buying, or overbuying.) Yes No



Do you have transportation to the marketplace? (Weigh the cost of travel against other features when you choose a place to buy. For major purchases, it may pay to travel considerable distances to find what you want. But beware of the "false economy" of traveling to three or more stores for a "special" at each. Yes No

Do you have the knowledge and skill to be an intelligent consumer? (The more you know about prices, quality, advertising techniques, store reputations, brands, even plain arithmetic, the more you'll get for your money.) Yes No

Do you study with care exactly what you need and how much you can spend? (Comparing costs of needs and your available money before shopping can help you avoid the temptation of impulse buying.) Yes No

Have you pinpointed reliable dealers where you can shop and compare products? (Reliable dealers will stand behind the products and services they sell. Be careful about door-to-door salesmen who do not have a permanent address.) Yes No

Have you gathered facts about the type product you want to buy? (The more you know about products, the more likely you will choose one that meets your needs.) Yes No

Have you studied catalogs, labels, hangtags and booklets for descriptive information on features, use and care instructions, and cost of products? (They let you know what is available and provide the basis for making quality and cost comparisons between competing products.) Yes No

Do you judge advertising by whether it appeals to your emotions or gives you facts concerning quality, performance, and use? Yes No

Have you studied consumer information booklets and magazines and contacted resource people who can advise on the choices of goods and services? (Contact business firms, manufacturers, trade associations, independent testing agencies, and government units. The Federal Government has publications

for sale. Your county extension agent has information to help you in making shopping decisions. The county agent can also direct you to other sources of help.) Yes No

Have you discussed your future purchase with friends, neighbors, and other individuals who own similar products? (They can share their experiences with a particular item. Find out how often the item is used, whether it performs well, how long the owner has had it, and if services and parts are readily available. Yes No

Have you studied the sales contract and warranty to learn what service can be expected from the product, the retailer, and the manufacturer? (When buying mechanical or electrical equipment, as well as many other products, the main concern is to find a product that will operate without trouble. Be sure you get a product that will wear well and, above all, one you can get repaired when needed.) Yes No

Do you cull your choices to the few that best fit your needs? (Consider the *pros* and *cons* of each. Use your list of desired characteristics to help you decide which product combines the greatest number of features you need.) Yes No

Do you compromise on your choices? (Accept the fact that whenever you decide to buy a particular item, you may have to give up something else you want. Be sure the total features, characteristics, and cost of the item you choose are more important than the products you give up.) Yes No

Do you accept your decisions as the final word? (Sometimes the choices seem about evenly balanced. Questioning "what might have been" often leads to frustration and dissatisfaction. If you spend time and effort in making an important buying decision—then be confident the choice was right for you.) Yes No

Have you learned anything that will help you with your next purchase? Yes No