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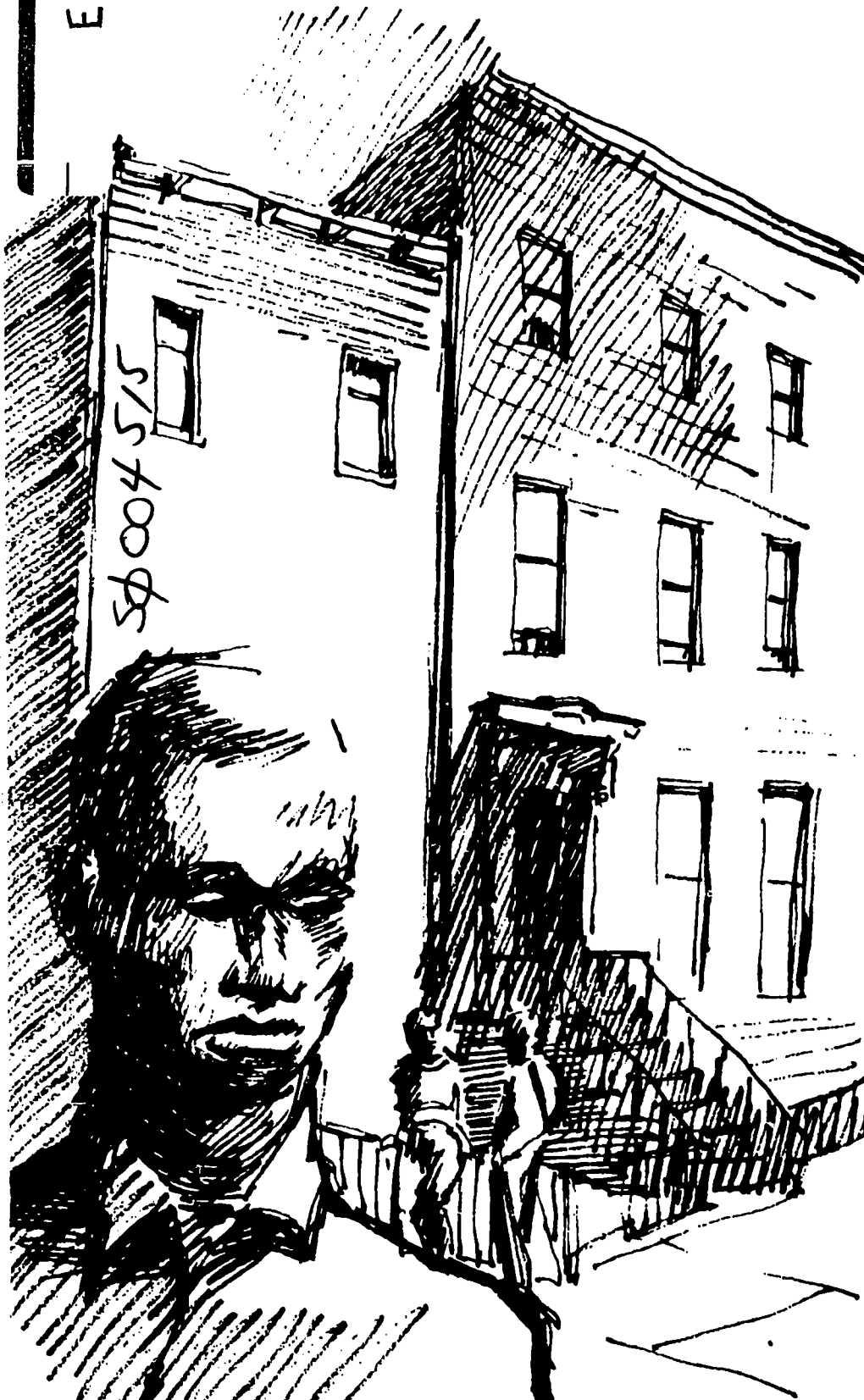
## ABSTRACT

The fourth in a series of modules--Expanded Programs of Consumer Education--this material is designed to help the poor make better use of their income and to stimulate those of high income to a greater understanding of the problems of their fellow-citizens. The modules are prepared for high school students as separate publications to provide flexibility; each of the nine planned units may be used as a discrete unit or with others in the series. Understandings are demonstrated under suggested pupil and teacher activities followed by sources of primary and supplementary materials. Students are oriented to the concepts of poverty, its physical, mental, and psychological realities; followed by attitudes toward and factors contributing to poverty, and concrete attempts to assist. Remedies include: educating the poor to consumer pitfalls, destructive marketing habits, consumer credit deception; and instructing them in insurance, housing, service, and legal rights. A game, Market Maze, has an emphasis on good buying habits. Student awareness of problems faced by ghetto dwellers such as limited shopping facilities, lack of day care centers, and ignorance of available assistance should contribute to helping the poor make better use of their disposal income. Related documents are ED 022 044, ED 060 220. (JMB)

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# CONSUMER PROBLEMS OF THE POOR

one of a series for expanded programs  
in CONSUMER EDUCATION



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The University of the State of New York  
THE STATE EDUCATION DEPARTMENT  
Bureau of Secondary Curriculum Development  
Albany, New York 12224  
1972

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## CONSUMER PROBLEMS OF THE POOR

One of a series in Expanded Programs of Consumer Education

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## F O R E W O R D

In 1967, the State Education Department published "Consumer Education — Materials for an Elective Course." This material has since been introduced into more than 400 of the New York State high schools. As a result of the interest in Consumer Education in the State and Nation the Department has begun the preparation of a series of modules — Expanded Programs of Consumer Education. This module, Consumer Problems of the Poor, is the fourth to be produced. Those already distributed are: Consumer Issues and Action, Education and the Consumer, and The Consumer and Recreation.

It is expected that other modules will be prepared in the fields of:

- Beauty Products and the Consumer
- The Consumer and Transportation — Aside From the Automobile
- The Consumer Looks at Automobile Insurance
- The Consumer and His Tax Dollar
- The Consumer and His Health Dollar

Nothing touches the lives of the disadvantaged more than the constant struggle to stretch limited financial resources to meet the increasing costs of living. This module is designed in the hope that it will help the poor to make better use of their income, as well as with the expectation that those of higher income will be more understanding of the problems of their fellow citizens.

Unlike the original syllabus, where 12 units covering various phases of Consumer Education were bound together, the modules in Expanded Programs of Consumer Education are being prepared as separate publications to provide greater flexibility. Each of the nine modules in the series may be used as a discrete unit, or with other units in the series. The nine modules may be presented as a semester or part of a semester course, or presented in conjunction with the original syllabus which covers such areas as the purchase of food; shelter; appliances; automobiles; and a consideration of credit; money management; fraud, quackery, and deception; banking and savings; life and health insurance; security programs; and consumer law.

It is hoped that the presentation of the modules as separate publications will tend toward flexibility in their use as mini-courses in such fields as social studies, business education, home economics, industrial arts, agriculture, and other areas of the curriculum.

The suggestions to the teacher found in "Consumer Education — Materials for an Elective Course," pages 1-4, apply equally to each of these modules. The reaction and suggestions of those using these materials in the field will be helpful to the Department in planning further materials for Consumer Education and in making necessary revisions of the material.

The original material for this module was developed and written by Mrs. Marie Dizer, home economics teacher at the Utica Free Academy, Utica. Hillis K. Idleman, associate in secondary curriculum development, made some revisions, added material, and prepared the module for publication.

The Department acknowledges with appreciation the suggestions of all those who reviewed the manuscript and in particular the following who made substantial contributions:

Prentis Cook, programs director, and members of the staff,  
Neighborhood Consumer Information Center, Washington, D.C.

Miss Lee Sharpe, consumer specialist, Federal Trade Commission

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"An elderly woman in Boston's Back Bay enters a restaurant, orders a cup of hot water, and then pours catsup in it. That's lunch. It is also poverty."

-- JoAnn Levine  
Christian Science Monitor  
February 17, 1971

"What has gone wrong? Once upon a time it was 'I was hungry and you fed me'. Now it's -- 'I am hungry and you form a committee or call me shiftless.'"

-- United States Senator  
Ernest F. Hollings



## CONSUMER PROBLEMS OF THE POOR

### Introduction

One of the concerns of the international conference on consumer affairs expressed at the International Organization of Consumers' Unions held in Austria in the summer of 1970 was that the people who need help the most are being most neglected and that education is failing to reach the poor. "We've become more concerned with automobiles and refrigerators than with food and clothing. We're at a crossroad and we must appeal to the masses or else turn into an organization of the middle class," said Jan van Veen, executive secretary of the organization.

A Swedish consumer specialist told the delegates: "Please, this is 1970. Part of the world is starving. The young feel frustrated listening to our discussions of their washing machines."

The fact that there are so many poor and that their poverty places them in a particularly cruel bind as consumers should be of concern to every American. Many social scientists question whether our Nation can survive a situation where a large segment of the population enjoys increasing affluence while another large group suffers from diminishing purchasing power. The gap between the two conditions of life is evident in so many ways: in the contrast between the housing of the city slums and of Appalachia versus the housing of middle class American suburbia; in the availability of credit and the cost thereof; in the variety and quality of food, clothing, furniture, and appliances enjoyed by one group as contrasted to that enjoyed by the other.

The clamor on the part of all consumers against real or fancied injustices in the marketplace is evident in many ways. The complaints reach all the way from the local merchant to the President of the United States. But all the frustrations of Mr. Middle Class American are compounded for the poor.

In essence, all the complaints of all unhappy consumers boil down to one central issue: the right to get one's money's worth. All classes of consumers feel frustrated in this regard. They are troubled that the expectations raised by advertising and high pressure sales talk are not met.

Affluent, educated persons have fewer troubles but even they are "taken" occasionally by glib salesmen or too-good-to-be-true advertisements. How much greater is the problem of the poor person? Often the poor are limited in their choice of products and markets, limited in their understanding of how to demand and get satisfaction when products fail, limited in their sources of credit, and limited in their understandings of what is reasonable to expect from a product and what is unreasonable.

This module, then, is about problems in the marketplace that affect all consumers but which affect the poor consumer the most. All of us have a stake in understanding the special problems of the poor and in helping, to the degree possible, to ameliorate these conditions. One of the problems, obviously, is to raise the incomes of the poor but that is a societal problem outside the realm of consumer education. A second problem is to

help the poor to make better use of their disposable income. That is very much a consumer problem. As President Kennedy said: "If consumers are offered inferior products, if prices are exorbitant, if drugs are unsafe or worthless, if the consumer is unable to choose on an informed basis, then his dollar is wasted, his health and safety may be threatened, and the national interest suffers. On the other hand, increased efforts to make the best possible use of their incomes can contribute more to the well-being of most families than equivalent efforts to raise their incomes."

Much of the material that is available for teaching consumer education applies to the "average, \$10,000 income, family of four." The income figures are not realistic and neither is the family of four. Many low-income families are headed by a single parent, usually the mother; many high school students are living with grandparents, friends, or alone. Many families have more than four members. In 1969, the poverty level was government-defined as less than \$1,840 yearly income for a single person or \$3,743 a year for a family of four. There were 24,289,000 human beings in the United States with incomes below these levels.

Poverty is not only a lack of money; it is a state of mind. The recipe for improving the situation is not simple but it must contain three ingredients: enough cash to cover minimum living expenses, education that will reach the poor, and involvement of the poor in solving their own problems to their fullest capacities and abilities.

As a result of studying this module, students should be better able to:

1. be aware of the existence of poverty in their community, state, and Nation
2. identify problems of the poor
3. determine how buying habits of the poor are predetermined by these problems
4. compare products and question choices
5. figure unit prices and learn how to use them
6. suggest specific ways of improving the buying patterns of the poor
7. learn what buying clubs and food cooperatives are, how they operate, and advantages and disadvantages of each
8. discover some of the ways by which all consumers, but especially the poor, are exploited in the marketplace
9. discover ways of using the knowledge gained through consumer education in their homes and communities
10. encourage organizations and movements designed to improve consumer legislation
11. use the courts and the law to the best advantage of the consumer

## UNDERSTANDINGS

- . THERE IS POVERTY AND MALNUTRITION IN EVERY STATE OF THE UNION TODAY.

## SUGGESTED PUPIL AND TEACHER ACTIVITIES

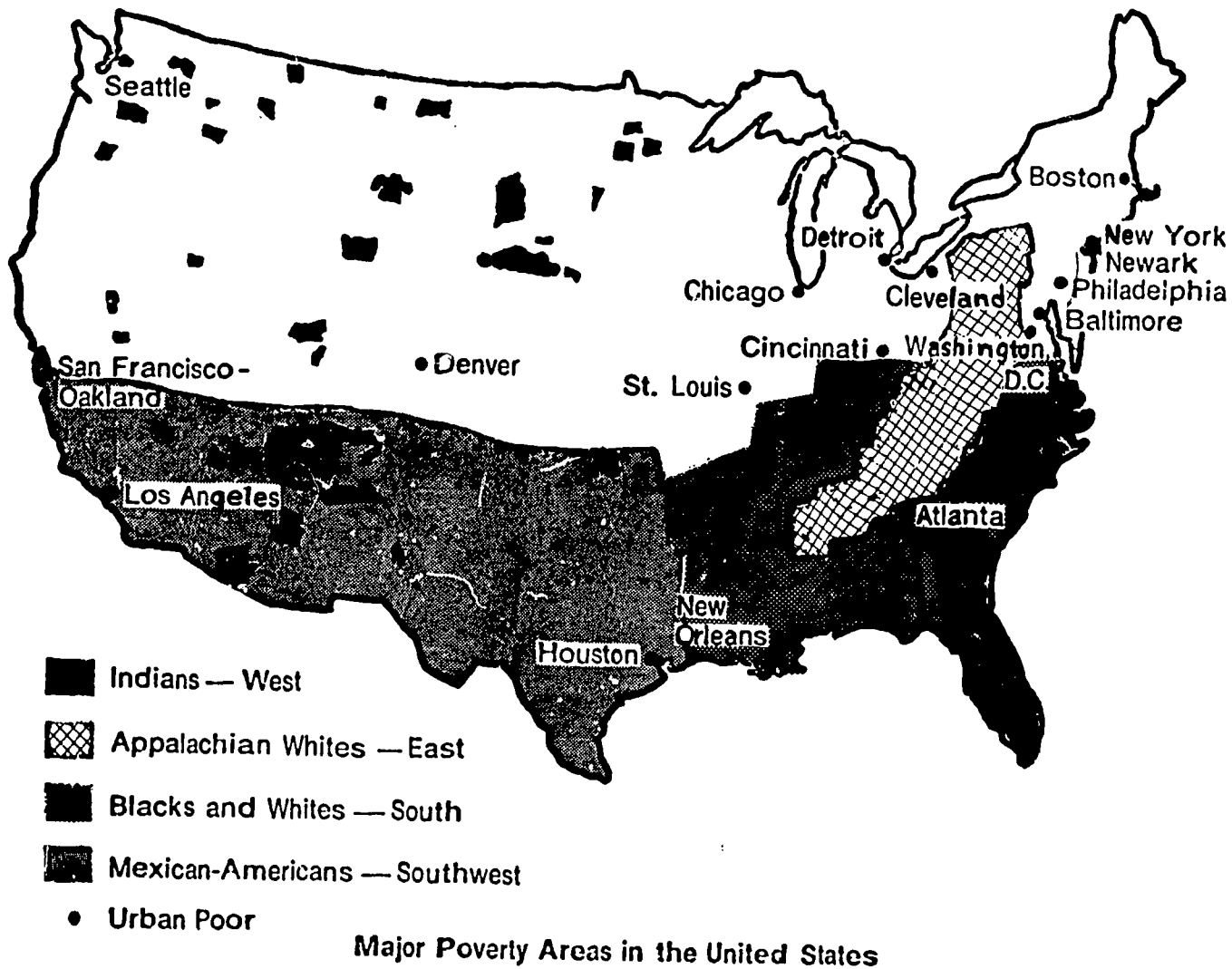
- . Take an opinion poll of the students:
  - Are there any hungry people in the United States?
  - Are there any in your community?
  - Where are they located?Use a city, county, and United States map to pinpoint areas where students think poverty exists.
- . Show map on opaque projector: *Major poverty areas in the United States*. Discuss the following:
  - In 1790, the rural population of the United States included 95 percent of the total; only 5 percent were urban dwellers.
  - In 1970, the rural population was 25 percent of the total and the urban was 75 percent. How has this change contributed to poverty?
  - How much poverty is shown in New York State? Who are the impoverished? Does this prove your opinions correct?

- . People do die of starvation in the United States today but the facts are usually hidden under the terms "malnutrition," "deficiency diseases," or "natural causes."

- . Do any people in the United States die of starvation? in your state or local community? Find statistics on causes of deaths in your county. Why might facts on starvation be hard to find?

## SOURCE

- . - Banks will supply community maps
- State maps are available at service stations
- United States maps may be obtained from social studies departments
- . *Justice in America series: poverty and welfare*, Houghton Mifflin Company, Boston, 1969, p. 14



\*From Justice in Urban America Series, POVERTY AND WELFARE, by Law in American Society Foundation, Inc. Copyright 1969 by the Law in American Society Foundation, Inc. Reprinted by permission of Houghton Mifflin Company.

Background Material:

Kotz, Nick: *Let them eat promises - the politics of hunger in America*, Prentice-Hall, Englewood Cliffs, New Jersey, 1969: Testimony of Marian Wright (now Mrs. Peter Edelman), a civil rights black attorney for the NAACP Legal Defense Fund, to the Senate Subcommittee on Employment, Manpower, and Poverty, April 10, 1967. Referring to the Delta area of Mississippi, she explained the revolution caused by mechanized cotton farming, new minimum wage for farm workers, huge cutbacks in cotton planting under the Federal subsidy program, and the rising battle for Negro civil rights: "People are starving," she testified. "They are starving and those who get the bus fare to go north are trying to go north. There is absolutely nothing for them to do here. There is nowhere to go, and somebody must begin to respond to them. I wish the senators would have a chance to go and just look at the empty cupboards in the Delta and the number of people who are going around begging just to feed their children. Starvation is a major, major problem." p. 5

The director of the Field Foundation, with a team of doctors, in April 1967, reported stark details of diseased children, suffering from severe dietary deficiencies and hopelessly inadequate diets, in "Children in Mississippi": "... We saw children being fed communally — that is by neighbors who give scraps to children whose own parents have nothing to give them. Not only are these children receiving no food from the government, they are also getting no medical attention whatsoever. They are out of sight and ignored. They are living under such primitive conditions that we found it hard to believe we were examining American children of the twentieth century!" *Children in Mississippi*, Marshall Field Foundation, New York, N.Y., p. 9.

"When the six Field Foundation doctors reported on the lack of food in Mississippi, they provoked an angry debate in which the state's doctors agreed there could be 'malnutrition' and possibly some 'hunger', but certainly no 'starvation'. Dr. Raymond Wheeler, one of the doctors who visited Mississippi, tried to explain to the United States Senate that the terms used are far less important than is an understanding of the consequences of inadequate nutrition: 'I would say that these adults and children...are, in many cases sick, in pain, hungry, and starving—whether one uses the word in a scientific or humanitarian sense. Why must we quibble about the quantitative effects of food deprivation on the body, or how rapidly one dies because of hunger?'" Ibid. pp. 35-36.

\* \* \* \* \*

From the book, LET THEM EAT PROMISES: THE POLITICS OF HUNGER IN AMERICA, by Nick Kotz. (c) 1969 by Nick Kotz. Published by Prentice-Hall, Inc., Englewood Cliffs, New Jersey. Reprinted with permission.

## UNDERSTANDINGS

- POVERTY IS PHYSICAL. IT IS A LACK OF FOOD, HOUSING, AND CLOTHING TO KEEP THE BODY IN A HEALTHY CONDITION.
- Despite the efforts of America to alleviate poverty, the problem is so widespread, so longstanding, and so complex that it is not simply solved. For 1971, the cost of relief is estimated at \$18 billion. The largest amount goes to families with dependent children, with smaller amounts going to the blind, the aged, the disabled, and those on "general assistance."

## SUGGESTED PUPIL AND TEACHER ACTIVITIES

- Have students volunteer case studies from these and other books:
  - *Poverty American style*
  - *Let them eat promises*
  - *The case against hunger*
  - *The ground is our table*
- Discuss what poverty means to the class. How many have felt extreme hunger? What does hunger do to the mind? Have those who know of persons who lack food, decent housing, or clothes report the effects of this deprivation.
- Role play the situation of a destitute family. Might the different age groups (children, parents, grandparents) react differently? Why?
- Ask a social worker, clergyman, or community leader to report on local cases of poverty. What are the causes? the results? What solutions are proposed?

## SOURCE

- Miller, Ilerman P.: *Poverty American style*, Wadsworth Publishing Company, Inc., Belmont, California, 1968: reprint of an article by Bagdikian, Ben H.: *Ed MacIntosh: man on a pension*, originally from *In the midst of plenty*, Boston: Beacon Press, 1964, pp. 126-131
- See also *Poverty American style*, Moore, Truman: *Shack-town USA: migrant farm labor*, *The tar-paper curtain*, and *The children of harvest*, pp. 131-137
- Ernest F. Hollings, U.S. Senator: *The case against hunger*, Cowles Book Company, New York, 1970
- Allen, Steve: *The ground is our table*, Doubleday and Company, Inc., Garden City, New York, 1966



| UNDERSTANDINGS                                                                                                                                                                                                                    | SUGGESTED PUPIL AND<br>TEACHER ACTIVITIES                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | SOURCE                                                                                                                     |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------|
| <ul style="list-style-type: none"> <li>IT HAS BEEN SAID THAT POVERTY IS ALSO A MENTAL CONDITION. THIS MENTAL CONDITION IS A RESULT OF A LACK OF THINGS THAT ARE VALUED BY SOCIETY.</li> </ul>                                     | <ul style="list-style-type: none"> <li>Show film: "Hunger in America."<br/>Discuss:               <ul style="list-style-type: none"> <li>- Is poverty simply a matter of not having enough money?</li> <li>- What, other than money, and what it can buy, is important to you? skills? education? leisure? freedom? opportunity? success? admiration? friends?</li> <li>- Do you agree or disagree that poverty is also a mental condition? Why?</li> </ul> </li> </ul>                                                                                                  | <ul style="list-style-type: none"> <li><i>CBS documentary, Columbia Broadcasting System, New York, New York</i></li> </ul> |
| <ul style="list-style-type: none"> <li>POVERTY CAN BE DISCRIMINATION — THE WITHHOLDING OF ECONOMIC, EDUCATIONAL, AND LEGAL TOOLS FROM ONE GROUP BY ANOTHER.</li> </ul>                                                            | <ul style="list-style-type: none"> <li>Two of the basic economic situations are that of an unskilled worker whose wages follow physical strength and that of a professional whose earnings continue to increase with education, seniority, and status.<br/>When will each reach his maximum earning potential? How is each affected by inflation, increasing age, and retirement? What effect do these factors have on the desire for consumer goods?<br/>(Answers might include: low income--immediate gratification; higher income--deferred gratification)</li> </ul> |                                                                                                                            |
| <ul style="list-style-type: none"> <li>POVERTY CAN HAVE A TIME ELEMENT. A low-income consumer tends to reach his peak income much earlier than an upper income consumer. He has less to look forward to in the future.</li> </ul> |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                                                                                                                            |
| <ul style="list-style-type: none"> <li>ONE THIRD OF THE POOR PEOPLE IN THE UNITED STATES RECEIVE SOME FORM OF PUBLIC ASSISTANCE. This is a total of 9 million people.</li> </ul>                                                  | <ul style="list-style-type: none"> <li>It is generally assumed that "welfare" takes care of all needy people. Is the welfare program today meeting the needs of poor people in the Nation? in your community? Is welfare the answer or should other solutions be sought? If so, what are they?</li> </ul>                                                                                                                                                                                                                                                                | <ul style="list-style-type: none"> <li>City or county welfare department</li> </ul>                                        |

UNDERSTANDINGS

SUGGESTED PUPIL AND  
TEACHER ACTIVITIES

SOURCE

- . In New York City, 10 percent of the population and 20 percent of the children live on welfare. If people are eligible, what reasons would there be for not receiving or possibly not asking for welfare?

  - lack of information
  - pride
  - requests for aid have been rebuffed
  - fear of the unknown
  - failure to meet some technical requirement
- . Invite the director or a social worker from the local Health, Education, Welfare office to speak to the class on the reasons why eligible people may not be on welfare.
- . Ask a welfare recipient to speak to the class on welfare from the client's point of view.
- . WELFARE IS DESIGNED TO PROVIDE THE INDIVIDUAL WITH WHAT ARE CALLED THE "NECESSITIES OF LIFE."
- . The following is a typical 2-week budget for a single man on welfare in a large city:

|                    |         |
|--------------------|---------|
| Food               | \$15.86 |
| Clothing           | 2.55    |
| Electricity        | 1.55    |
| Gas                | .80     |
| Laundry            | 1.80    |
| Wash and dry       | 2.35    |
| Personal care      | .95     |
| Household supplies | .50     |
| Shelter            | 24.10   |
|                    | \$50.46 |
- . Justice in America Series: *Poverty and welfare*, pp. 65-66
- . The New York State program pays somewhat higher benefits than the programs of most other states. The social services budget provides \$84 a month for single, aged, blind, and disabled clients, or \$39 for 2 weeks, plus income exemptions and allowances.



## UNDERSTANDINGS

- It is difficult to do more than merely exist on a welfare budget.

## SUGGESTED PUPIL AND TEACHER ACTIVITIES

Does this provide enough for the "necessities of life"? Describe the kind of shelter that would be available for that money. List the food items that could be purchased for \$7.93 a week. What personal care items could be purchased for 47½ cents per week?

- The following items are typical of a budget for girls and women:

Lipstick: 2 per year if employed, 1 if unemployed

Deodorant: 2 per year if employed, 1 if unemployed

Comb: 1 every 2 years

Bobby pins: 48 pins per year

Hair cuts: 1 per year for those over 16

Permanent wave refill: 3 per year for employed, 1 if unemployed

Sanitary belt: 1 for 2 years

Sanitary pads: 144 per year

Shoe polish: 1 can per year

Think about necessities in your life. Make a budget for a 2-week period. How does it compare to the given lists? Is the official budget adequate? If not, how much should it be? Where should the additional money come from? Would higher welfare benefits

## SOURCE

- For a single home relief recipient in New York State the budget is \$76 monthly or \$35.35 for 2 weeks. In addition, a shelter and fuel allowance is added to the basic needed allowance.

## UNDERSTANDINGS

## SUGGESTED PUPIL AND TEACHER ACTIVITIES

## SOURCE

- tend to keep employable people on welfare? Would taxpayers be willing to pay more?
- In 1969, a White House Conference on Food, Nutrition, and Health was called to consider problems of malnutrition and hunger.

    - The understanding on page 7 reveals that 9 million people are on welfare rolls, stating that this is about one-third of the poor in the United States. Has anything been done to bring this problem to the attention of the American people? What has been done in your neighborhood? What were the results?
    - Show on an opaque projector pictures of malnourished children in the United States and read excerpts from *Still hungry in America*.
  - Some persons in local, state, and Federal positions are making an effort to better conditions and ease problems of the poor.

    - Invite local or State legislators to your class to find what is happening to help the poor and how your representatives feel about the problems.
    - What is your opinion of the report of the Select Committee on Nutrition and Human Need?
    - Write your Congressmen for their views of what should be done to help the poor. Follow this activity by
  - For hearings and recommendations of White House Conference, write: Superintendent of Documents, United States Government Printing Office, Washington, D.C.

    - Coles, Robert: *Still hungry in America*, photographs by Al Clayton, World Publishing Company, New York and Cleveland, 1969
    - Elected representatives on the local scene or in the State Legislature,
    - And in the United States Congress
    - Read the Congressional report on Nutrition and Human Need, December 17, 1969, U.S. Government Printing Office. Senator McGovern is the chairman of the Select Committee on Nutrition and Human Need which drew attention to

## UNDERSTANDINGS

## SUGGESTED PUPIL AND TEACHER ACTIVITIES

## SOURCE

asking each class member to write his Congressman and express his feelings as to what should be done about poverty conditions.

the poor in the southern states.  
- Senator Hollings of South Carolina broke the bonds of southern tradition by stating that the southern white man had lied about black poverty and had always practiced the politics of ignorance.  
"Hunger is non-partisan, non-racial. South Carolina's hunger is both black and white."

- Most people are more "comfortable" if they do not face facts about the poor.

- Explore the meaning of this quotation:

"We perceive less clearly, and as a result we feel less — we use our dulled senses to close ourselves off....Today we also dull our perceptions of how other people feel and we consistently shut off awareness of our own feelings."

-- Herbert A. Otto

-- *The case against hunger*, Cowles Book Company, New York, 1970

- Instant success has been expected of antipoverty efforts, such as Head Start and Job Training Programs.
- Sometimes programs benefiting the poor are started or stopped for political reasons.

- Have you (or your parents or friends) ever complained that even after the government spends money on job training, the poor won't work because they are lazy? If so, is the fault that of the job training program? of those who took the job training? of employers? of unions unwilling to increase competition for jobs by increasing work forces?

- Your parents
- Your friends
- Job trainees
- Social service workers
- Community leaders

| UNDERSTANDINGS                                                                                                                                  | SUGGESTED PUPIL AND TEACHER ACTIVITIES                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | SOURCE                                                                                                                                                                                                                                                                                                                                                                        |
|-------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <ul style="list-style-type: none"> <li>Related environmental factors combine to define school and employment failures and successes.</li> </ul> | <ul style="list-style-type: none"> <li>If a child goes to the Head Start program and still does not do well in school, is it the fault of the program? of the child? of the home?</li> <li>If a child is sick, hungry, or sleepless from overcrowding or rats or cold, can a Head Start program or a good first grade teacher help him want to learn to read?</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | <ul style="list-style-type: none"> <li>A Head Start teacher</li> <li>School nurse</li> <li>School doctor</li> </ul>                                                                                                                                                                                                                                                           |
| <ul style="list-style-type: none"> <li>THERE ARE MANY REASONS PEOPLE ARE POOR.</li> </ul>                                                       | <ul style="list-style-type: none"> <li>Divide the class into groups for buzz sessions and list the reasons they can think of why people are poor. The lists may include: <ul style="list-style-type: none"> <li>aged, living on Social Security or pensions as well as public assistance, or with relatives</li> <li>disabled</li> <li>women or children without a wage earner in the family</li> <li>women who cannot work because they must care for children or disabled family members</li> <li>those with no job because of lack of salable skill</li> <li>those with a lack of motivation</li> <li>malnourished people who cannot work effectively</li> <li>those in areas of high unemployment</li> <li>those who lack education</li> <li>those with low productivity</li> <li>ethnic groups with language or cultural barriers</li> </ul> </li> </ul> | <ul style="list-style-type: none"> <li><i>Poverty American Style</i>, Chapter 4: "Counting Up the Poor"</li> <li>New York State has taken steps to provide day care centers and family day care homes for working mothers. The Governor, through the Youth Facilities Construction Act, has made available \$100 million for the construction of day care centers.</li> </ul> |

UNDERSTANDINGS

- . There are many reasons why poverty seems to be self-perpetuating.

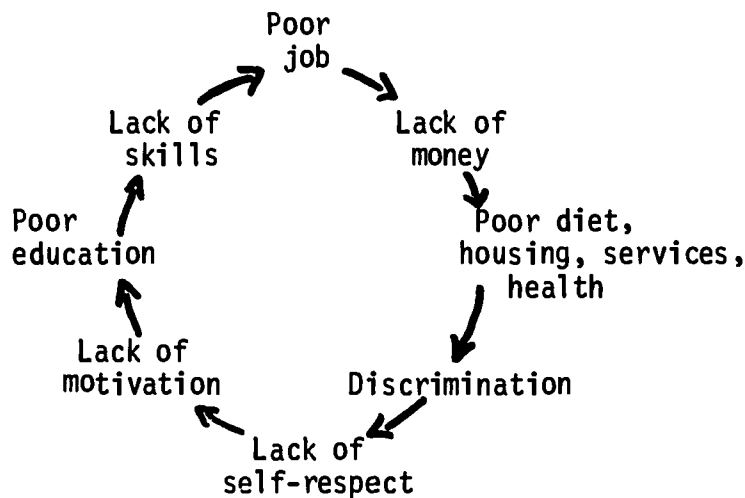
SUGGESTED PUPIL AND TEACHER ACTIVITIES

- . It has been said that poverty breeds poverty. It is described as a "vicious circle" or a "vicious cycle." How would the reasons that you have listed above contribute to this? Are there characteristics or traits of all poor that result in a "culture of poverty"?

SOURCE

- . Lewis, Oscar: *The children of Sanchez*, Random House, New York, 1963: "Characteristic traits of the culture of poverty"
- . *Poverty in America*, op. cit. p. 18

. THERE IS A VICIOUS CIRCLE OF POVERTY



- . Middle class Americans have a norm of expectancy; having been raised with the example of parents who are or were gainfully employed, who get to work on time, who produce on the job, they expect all people in our society to perform similarly. However, for those who have never had a family member regularly employed, who lack a model who exhibits punctuality, diligence, and regularity of work

- . Discuss these points from *The children of Sanchez*:

- There is a lack of hope, incentive, and motivation.
- Inadequate education continues from one generation to another.
- Race makes a difference -- nonwhites have less chance to break out of the circle than whites.
- The poor are often not members of a political party.
- They do not usually belong to labor unions.

UNDERSTANDINGS

habits, these "norms" may be meaningless.

• IT IS SIGNIFICANT THAT SOME CHARACTERISTICS OF THE POOR ARE ALSO CHARACTERISTICS OF CERTAIN GROUPS OF THE WEALTHY.

- early sex experiences
- intense hatred of the police
- mistrust of government
- the use of drugs
- much alcoholism

However, for the wealthy these activities may be for fads or for "kicks," whereas for the lower income they are intense and real.

• THERE ARE MANY PROGRAMS DESIGNED BY THE FEDERAL GOVERNMENT TO HELP THE POOR

SUGGESTED PUPIL AND TEACHER ACTIVITIES

- They do not participate in medical care, old-age benefits, or maternity care.
- They make little use of a city's banks, hospitals, department stores, museums, art galleries, or airports.
- They use child labor.
- They have no savings.
- There is a chronic shortage of cash.
- There are no food reserves in the house.
- Personal goods are pawned for cash.
- They need many small loans and pay high rates of interest.
- Living conditions are crowded and there is extreme lack of privacy.
- There is much alcoholism.
- Family relationships are sometimes violent as are outside contacts.
- There is often early sex experience; free unions or "consensual" marriages are common.
- There is an intense hatred of police.
- Government is mistrusted.
- There is much use of drugs.

• There are numerous Federal programs in operation which afford assistance to the poor and unemployed.

SOURCE

• Local community agencies administer these programs.

## UNDERSTANDINGS

AND UNEMPLOYED. THE SUCCESS OF THESE PROGRAMS IS DEPENDENT UPON THE EFFICIENCY OF ADMINISTRATION AT THE LOCAL LEVEL AND THE EXTENT TO WHICH THEY ARE USED BY THOSE FOR WHOM THEY WERE DEVELOPED.

- . Many of these programs have as an aim the relief or alleviation of a temporary condition creating poverty.
- . An involvement with persons who are poor should result in more understanding and tolerance of their circumstances.

## SUGGESTED PUPIL AND TEACHER ACTIVITIES

Assign individual students to investigate and interview either the people in charge or the recipients, and report their findings to the class. The programs should include: Head Start, Follow Through, Upward Bound, Job Corps, Educational Opportunity Grants, College Work Studies Grants, Neighborhood Youth Corps - all of which have been planned to aid children and young people. Check also Work Incentive and Training, Concentrated Employment (for hard-core unemployed), Migrants, VISTA, Low-Rent Public Housing, Rent Supplement, Neighborhood Facilities, health programs, (may include child and infant health, medical care, vocational rehabilitation, health insurance for the aged, and Indian health).

- . Set up a panel discussion (or a panel to discuss each area of aid) and include these questions:
  - Did your investigation indicate these programs to be successful in reaching the persons the program was designed to help? List the aims.
  - If the program is not a success, what are the reasons?
  - Whose responsibility is it to make the program work?
- . Have any students or their friends worked with the Head Start program, VISTA, or done any type of volunteer work such as tutoring the poor? Have them describe their experiences.

## SOURCE

- . If not found locally, use library references to learn about the programs listed.

### Background Material:

The United States Department of Health, Education, and Welfare has recently published a pamphlet *Welfare Myths vs. Facts* which attempts to dispel what the Department believes are misconceptions regarding relief. As welfare costs rise, there is growing complaint on the part of taxpayers. The following material is from the official reply of the Department of Health, Education, and Welfare concerning commonly held beliefs:

**CHARGE:** Welfare families are loaded with kids—and have more kids just to get more money.

**HEW's REPLY:** The typical welfare family has a mother and three children. Since 1967, the trend has been toward smaller families on welfare. The birth rate for welfare families, like the birth rate for the general population, is dropping.

Most children in welfare families—90 percent—are 2 years old or older. Studies show that the average family receives assistance for about two years. It is clear, then, that the majority of welfare children were conceived or born before the family applied for assistance. Also, the typical payment for an additional child is \$35 a month, hardly enough to cover the cost of rearing an additional child. Some States impose maximum-payment limits; families reaching that ceiling—usually a four to five-person family—get no additional money for another child.

**CHARGE:** Most welfare families are black.

**HEW's REPLY:** The largest racial group among welfare families—49 percent—is white.

Blacks represent about 46 percent. Most of the remaining 5 percent are American Indians, Orientals and other racial minorities. Latin-American families cut across racial lines; 14.4 percent of AFDS [aid to families with dependent children] families are of Latin birth or ancestry: Mexican, Cuban, Venezuelan, etc.

**CHARGE:** You can live well on welfare.

**HEW's REPLY:** The average payment to a welfare family of four with no other income varies among States, from a low of \$60 per month in Mississippi to a high of \$375 per month in Alaska.

In all but four States, welfare payments have been below the established poverty level of \$331 per month, or \$3,972 per year for a family of four. Unfortunately, some of the nation's working poor—ineligible for assistance under the present welfare system—earn less than the poverty level, too.

Each State establishes its own "need standard"—the amount required for the necessities of family living. A State standard may be below or above the poverty line. A State will use its need standard as a base for determining eligibility. However, 38 States pay less—some much less—than their own established standard of need. The Federal Government shares the cost of payments made by the States.



Welfare-reform proposals—establishing a federal income floor nationally for welfare families—would provide an even base for payments and increase recipients' incomes in at least eight States now paying the lowest amounts. The working poor would get a cash assist as well, insuring that a family head would always be better off by working. Under welfare reform, any family head who is able to work but remains unemployed would have to take a job or job training in order to receive welfare benefits.

CHARGE: Most welfare children are illegitimate.

HEW's REPLY: A sizable majority — approximately 68 percent — of the more than 7 million children in welfare families were born in wedlock, according to data compiled by the Social and Rehabilitation Service.

In addition, most middle and upper-income families have always been able to purchase family-planning counseling and services from private physicians. However, only in the past few years has government made a concerted effort to deliver such services to the poor.

CHARGE: Once on welfare, always on welfare.

HEW's REPLY: The average welfare family has been on the rolls for 23 months.

Studies by the Social and Rehabilitation Service, HEW, show that at any given time about two thirds of welfare families will have been receiving assistance for less than three years. The number of long-term cases is relatively small—only 7.3 percent have been on welfare for 10 years or more. Such cases are likely to involve some form of disability.

Government-sponsored surveys show that the majority of welfare families are also embarrassed by and discontented with welfare. Most want to move off the welfare rolls, but it takes the average family about two years to overcome its problems.

Proposed welfare reforms are designed to strengthen work incentives, eliminate barriers to employment, and thus help present recipients rejoin the work force as soon as possible.

CHARGE: Welfare people are cheats.

HEW's REPLY: Suspected incidents of fraud or misrepresentation among welfare recipients occur in less than four tenths of 1 percent of the total welfare case load in the nation, according to all available evidence. Cases where fraud is established occur even less frequently.

Another 1 to 2 percent of welfare cases are technically ineligible because of a misunderstanding of the rules, agency mistakes, or changes in family circumstances not reported fast enough. These are human and technical errors; it is not cheating.

While the proportion of those who deliberately falsify information is very low, both the federal and State governments seek to eliminate them from the welfare rolls as well as to remove all errors in determining eligibility. The overwhelming majority of recipients, like most other Americans, are not wilfully misrepresenting their situations.

State agencies are required to check the eligibility of AFDC families at least once every six months; those with unemployed fathers, once every three months. The Federal Government also analyzes State records and makes on-site checks of a portion of each State's welfare cases.

Many publicized charges of cheating or ineligibility simply have not stood up under investigation.

**CHARGE:** The welfare rolls are full of able-bodied loafers.

**HEW's REPLY:** Less than 1 percent of welfare recipients are able-bodied, unemployed males; some 126,000 of the more than 13 million Americans on Federal-State-supported welfare (April, 1971, statistics.) Most of them—80 percent—want work, according to a Government-sponsored study; about half the men are enrolled in work-training programs.

The largest group of working-age adults on welfare are 2.5 million mothers of welfare families, most of whom head families with no able-bodied male present. About 14 percent of these mothers work, and 7 percent are in work training.

Many of the other mothers confront serious barriers to employment under the existing welfare system. But if day care were available for their children and if job training and jobs were to be had it is estimated that another 35 percent would be potential employes.

An additional 4 to 5 percent of mothers have some employment potential, but require more extensive social rehabilitative service to prepare them. The proposed welfare-reform program includes provisions for day care, job training, public-service jobs and more extensive service for welfare recipients.

The remaining 40 percent of welfare mothers have little or no employment potential because they care for small children at home, have major physical or mental incapacities, or other insurmountable work barriers. In spite of this, 70 to 80 percent of welfare mothers consistently report they would work if present barriers to employment are overcome.

| UNDERSTANDINGS                                                                                                                                     | SUGGESTED PUPIL AND<br>TEACHER ACTIVITIES                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | SOURCE                                                                                                                                                                                                            |
|----------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <ul style="list-style-type: none"> <li>• THERE ARE FOUR BASIC "CATEGORICAL" PROGRAMS OF PUBLIC ASSISTANCE.</li> </ul>                              | <ul style="list-style-type: none"> <li>• If a person decides to apply for Public Assistance, what are the categories into which he must fit?               <ul style="list-style-type: none"> <li>- 1. Aid to the Aged (AA)</li> <li>- 2. Aid to the Blind (AB)</li> <li>- 3. Aid to the Disabled (AD)</li> <li>- 4. Aid to Families With Dependent Children (AFDC)</li> </ul> </li> </ul>                                                                                                                                                                                                                 | <ul style="list-style-type: none"> <li>• Local Health, Education, and Welfare Office</li> </ul>                                                                                                                   |
| <ul style="list-style-type: none"> <li>• New York State has a home relief program for persons who do not qualify for public assistance.</li> </ul> | <ul style="list-style-type: none"> <li>• If a man were unemployed, but not blind, old or disabled, where would he go for help for his family?</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                   | <ul style="list-style-type: none"> <li>• Half of the 230,000 home relief recipients are children under 16. About 19,000 adults are employed full-time but not making enough to support their families.</li> </ul> |
| <ul style="list-style-type: none"> <li>• To feed the hungry, the Federal food stamp program is in operation.</li> </ul>                            | <ul style="list-style-type: none"> <li>• The present program in New York State calls for \$106 worth of food stamps per month for a family of four. This amount will be increased to \$108 when the new regulations become effective.</li> </ul>                                                                                                                                                                                                                                                                                                                                                           | <ul style="list-style-type: none"> <li>• "The Food on the Table Program," New York State Department of Social Services, 1450 Western Avenue, Albany, New York 12203</li> </ul>                                    |
| <ul style="list-style-type: none"> <li>• Food stamps must be used only for food.</li> </ul>                                                        | <ul style="list-style-type: none"> <li>• Plan meals for 1 week for \$27, keeping in mind nutritional need and content. Use newspaper ads, your mother's memory, or store visits to determine prices. Keep in mind the basic four food groups and the minimum daily requirement (meat group, two servings; breads and cereals, four servings; fruits and vegetables, four servings; milk group, four servings). Is \$27 enough?</li> <li>• Most persons include household supplies, such as soap, cleaning supplies, toilet paper, etc., with food items at the grocery. How much would a family</li> </ul> |                                                                                                                                                                                                                   |

| UNDERSTANDINGS                                                                                                                                                                                                                                                                                           | SUGGESTED PUPIL AND<br>TEACHER ACTIVITIES                                                                                                                                                                                                                                                                                                                                                                                             | SOURCE                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <ul style="list-style-type: none"> <li>The amount allowed by the present government program for a low-cost diet which is nutritionally adequate based on standards set up by the United States Department of Agriculture is less than estimates of the National Consumer Finance Association.</li> </ul> | <p>of four need to spend on these supplies? Would you agree with the reasoning of the designers of the food stamp program that the stamps must be used for food? Why?</p> <ul style="list-style-type: none"> <li>Invite a social service representative to discuss the food stamp program. To what extent is the program used in the local community? What suggestions does the representative have regarding the program?</li> </ul> | <ul style="list-style-type: none"> <li>"Estimates of the cost for a family of four with children in school varied in December 1970 from a low-cost food plan for a week of \$30.70 to a liberal plan of \$48.20. These costs are based on market baskets of food, containing standard items which provide well-balanced meals similar to these commonly eaten in the United States as prepared quarterly by the Department of Agriculture. Food costs for a young family of two varied from a low of \$18.30 for a week's food to a liberal plan costing \$28.50." Quotation from <i>Finance Facts</i>, published by the National Consumer Finance Association, May 1971</li> </ul> |

UNDERSTANDINGS

SUGGESTED PUPIL AND  
TEACHER ACTIVITIES

SOURCE

- Keep track of how much your family spends for food for 1 week. How do your expenditures compare with the figures quoted from the National Consumer Finance Association?
- For more information on "Family Food Assistance programs," see New York State Curriculum Materials, *Health, strand I*, pages 42-52.
- *Health, strand I, physical health and nutrition, grades 10, 11, 12*, The University of the State of New York, The State Education Department, Bureau of Secondary Curriculum Development, Albany, New York 12224, 1970
- IT IS MORE DIFFICULT AND, IN SOME CASES MORE EXPENSIVE, TO PURCHASE A VARIETY OF FRESH, WHOLESOME FOOD IN POOR NEIGHBORHOODS.
- There are relatively few supermarkets in the ghettos. Supermarkets are conveniently located for the more affluent.
- Figures show that 15 million poor live in urban ghettos. If so, why are there not many more supermarkets there? (Reasons suggested are these:
 
  - Operating costs are 2-3 percent higher which may wipe out profits.
  - Occupancy costs -- rent, equipment, insurance, and utilities -- run 5 percent of sales instead of the usual 4 percent because volume of business is lower.
- Cross, Jennifer: *The supermarket trap*, Indiana University Press, 1970

| UNDERSTANDINGS                                                                                                                                                                       | SUGGESTED PUPIL AND<br>TEACHER ACTIVITIES                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | SOURCE                                                                                                                                                                                                                                                                                                                                                                                                     |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <ul style="list-style-type: none"> <li>• "Mom and pop" stores are more expensive. Articles may range from 2½ percent to 20 percent higher in price than in larger stores.</li> </ul> | <ul style="list-style-type: none"> <li>- Labor costs are higher — staff recruiting and training is harder and staff is less productive.</li> <li>- There is a high risk of pilferage.</li> <li>- There are fewer sales of high-margin specialty foods.</li> <li>- Land for a store is harder to obtain.</li> <li>- The poor buy cheaper products such as cheaper cuts of meats.</li> <li>- The poor can often afford to buy food for only one meal at a time.)</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                  | <ul style="list-style-type: none"> <li>• White House Conference on Food, Nutrition, and Health</li> </ul>                                                                                                                                                                                                                                                                                                  |
|                                                                                                                                                                                      | <ul style="list-style-type: none"> <li>• Since supermarkets are not offering competition, why do "mom and pop" stores sell at such high prices? (Answers may include:             <ul style="list-style-type: none"> <li>- The turnover rate of products is low.</li> <li>- Insurance is costly.</li> <li>- Owners cannot buy in quantity.</li> <li>- The poor have less money to do impulse buying.</li> <li>- Owners can stay in business only by charging higher prices.</li> <li>- Many customers want the special services that "mom and pop" stores provide including:                 <ul style="list-style-type: none"> <li>◦ selling articles in small quantities (one egg, one half pound of coffee)</li> <li>◦ extension of credit</li> <li>◦ filling an order from a pencilled list or for a child sent by a parent</li> <li>◦ delivery in the neighborhood</li> </ul> </li> </ul> </li> </ul> | <ul style="list-style-type: none"> <li>• <i>National Commission on Food Marketing; Technical Study #10; Bureau of Labor Statistics, 1966</i></li> <li>• FTC hearings, Washington, D.C., Nov.-Dec. 1968</li> <li>• <i>Consumer problems in the District of Columbia, FTC Report, 1968</i></li> <li>• Volunteer survey for Catholic Archdiocese of Detroit, 1968. Supermarket News, Sept. 9, 1968</li> </ul> |

| UNDERSTANDINGS                                                                                                                                                                                                                                                       | SUGGESTED PUPIL AND TEACHER ACTIVITIES                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | SOURCE                                                                                                                                                                                                                                                                                               |
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| <ul style="list-style-type: none"> <li>• If there is a ghetto supermarket, customers may find that conditions are quite different from those found in a suburban supermarket.</li> </ul>                                                                             | <ul style="list-style-type: none"> <li>◦ remaining open for longer hours than regular stores</li> <li>◦ provision of ethnic foods</li> <li>◦ proprietors who speak the native tongue, Spanish, for instance)</li> <li>• Do ghetto supermarkets differ from suburban ones? Would you expect these things if you went to a supermarket in your locality? <ul style="list-style-type: none"> <li>- congested aisles, overcrowded meat and vegetable counters, few choices of any item, questionable quality of produce, and many items without a marked price</li> <li>- a tendency to harassment, no personal checks cashed without much identification and embarrassment, warning signs against shoplifting, mirrors conspicuously placed, sometimes an armed guard</li> <li>- no rainchecks on advertised specials</li> <li>- higher prices if you used food stamps</li> </ul> </li> </ul> | <ul style="list-style-type: none"> <li>• Wall Street Journal, Aug. 16, 1966</li> <li>• Supermarket News, Feb. 7, 1966, reported merchants who told the press that they "jack up" prices to meet difficult ghetto conditions and that prices were raised when food stamps were introduced.</li> </ul> |
| <ul style="list-style-type: none"> <li>• The large amount of publicity surrounding the government investigations has made it difficult to get a survey which will resolve the question of whether supermarkets do, in truth, charge more in ghetto areas.</li> </ul> | <ul style="list-style-type: none"> <li>• Are the prices higher in chain stores in the ghetto areas than in other areas? Make a survey of prices of identical items on the same day at ghetto markets and other markets. Be sure that the items priced are identical in brand-name and size and that special sales which might affect prices are taken into account.</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | <ul style="list-style-type: none"> <li>• <i>National Food Commission Report on Food Marketing, Technical Paper # 10, 1966, a Bureau of Labor Statistics Study</i></li> </ul>                                                                                                                         |



UNDERSTANDINGS

SUGGESTED PUPIL AND  
TEACHER ACTIVITIES

SOURCE

- |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
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| <ul style="list-style-type: none"> <li>. The Federal Trade Commission has ruled that a special advertised article in a supermarket must be available in all the chain-stores in the area.</li> <li>. Citizen involvement is a vital adjunct to governmental regulatory work and can have an important effect in keeping the marketplace a fair situation for <u>all</u> consumers.</li> <li>. The poor claim they do pay more despite some government studies denying it.</li> </ul> | <ul style="list-style-type: none"> <li>. If possible, students at this point should observe some poor areas first-hand. A field trip for the class, or small groups, might be planned to poor areas in the State or the local community. (If local, avoid embarrassment to class members who might live in the area.) As an alternative to a field trip by the class, send one student armed with a roll of film and a good camera to bring back pictures to share with the class.</li> <li>. Have students cut out advertisements for supermarket specials from the local newspaper. Assign groups of students to check that specials are available in their neighborhood chains. Report any violations to the manager. If violations continue, report them to the Federal Trade Commission.</li> <li>. Assign a student to report on Grace Halsell's experiences in Harlem from her book, <i>Soul sister</i>. Note the points she makes:             <ul style="list-style-type: none"> <li>- Lettuce the size of a tennis ball which looked as if it had been in the store for a week yet sold for 39¢</li> </ul> </li> </ul> | <ul style="list-style-type: none"> <li>. Harlem or another ghetto area<br/>Two cooperatives in Harlem which have welcomed consumer education classes are:<br/><br/>Harlem River Consumer Cooperative, Mrs. Venus Harris, Mgr., Seventh Ave. at 147th St., N.Y. (supermarket)<br/><br/>Furniture Co-operative, 116th St., and Third Ave., New York</li> <li>. FTC Trade Regulation Ruling on Retail Food Store Advertising, effective July 12, 1971</li> <li>. Halsell, Grace: <i>Soul sister</i>, Fawcett Publications, Inc., 1969. Available in paperback. This is the story of a white newspaper woman who turned her skin</li> </ul> |
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## UNDERSTANDINGS

## SUGGESTED PUPIL AND TEACHER ACTIVITIES

## SOURCE

- A half-dozen eggs were 45¢ in one store, 75¢ a dozen in another
- A quart of ice cream selling for \$1.50 in Harlem and in Washington, D.C., for 90¢
- Meat with yellow streaks throughout the dull red, the type most people would smell and throw out
- A black home economics teacher in a New York junior high school told of her experiences while a college student in Buffalo and living in a low-cost housing project. She found that the supermarket across the street from the project charged more for the same items than did one of the same chain located on her way to the campus. If you were the manager of that supermarket (across from the project) how would you explain the difference?
- Show the film: *The poor pay more*
- Discuss the ways shown in the movie that indicate the poor pay more. Is it possible to avoid doing this?
- Film: *The poor pay more*, Indiana University Film Service, Bloomington, Indiana 47401. Based on the book by David Caplevitz: *The poor pay more*, Free Press of Glencoe Macmillan, 1963

## UNDERSTANDINGS

- PART OF THE PROBLEM IS THE POOR THEMSELVES; YET THEY ARE OFTEN UNAWARE OF THIS FACT AND ARE SOMETIMES HELPLESS TO CHANGE IF THEY WERE AWARE OF IT.

## SUGGESTED PUPIL AND TEACHER ACTIVITIES

- Consider the ways by which the poor are responsible for their own fate. Can you suggest solutions as well as listing the problems? Some problems are:
  - Working or housebound mothers send the children to do the shopping.
  - The poor are easily deceived because of age or lack of education (some can't read or understand English).
  - They are inclined to buy nationally advertised brands instead of cheaper store brands - evidence of a type of security status.
  - They buy in small quantities that are costlier.
  - They often require credit.
  - They may purchase "ethnic" or "soul" foods for which there is no national demand and which are therefore higher in price.
  - They lack transportation.
  - They may have to take children with them when shopping, which limits the shopping area.

- There is a type of security for the poor within their own neighborhood.

- Why do the poor cluster in areas such as Black Harlem or Spanish Harlem, or in certain areas of all cities, and why do they remain in their own neighborhoods to shop if prices and selection are better elsewhere?

(Answers might include:

- lack of information about shopping

## SOURCE

- Grace Halsell in *Soul sister*: p. 131, writes: "The ghetto's marked-up prices extend to all commodities: cleansing tissues, toothpaste, the wetting solution for my contact lenses. Regardless of what I buy, I pay more in Harlem. It is what Senate Commerce Committee Chairman Warren G. Magnuson calls the 'legalized thievery' flourishing among the ghetto poor."

- Grace Halsell says she was not prepared for the isolation and separateness of Harlem. Her comment is: "The Berlin Wall is papier mache compared to the barriers surrounding Harlem."

UNDERSTANDINGS

SUGGESTED PUPIL AND  
TEACHER ACTIVITIES

SOURCE

- There are many ways of getting more nutrition and more appetizing foods from the food dollar if one is a wise and careful shopper and consumer.
  - The suggestions for better use of the food dollar must be adapted to meet the needs of individuals or families.
- THE RESULTS OF DECEPTION AND TRICKERY ARE PARTICULARLY HARMFUL TO THE POOR.
- Often the poor, who most need information or sound advice do not know when, where, or how to seek such help. Affluent consumers know how to use the help available from local consumer agencies, State agencies, and Federal agencies; the poor are often uninformed or reluctant to use such help.
- transportation is either unavailable or expensive
  - psychological and social need to remain in own neighborhood)
- A bulletin board contest could be begun to interest students in finding as many suggestions as possible for practical ways of saving on food expenditures. Involve parents and friends. Use the library for references from books and magazines.
- The consumer's basic right is to get his money's worth, yet often this is not the case. In a "buzz" session, list examples from the pupils' own experiences of ways they or their families have failed to get their money's worth.  
(Examples:
    - magazine subscription "bargains" sold by fast talking salesmen
    - junk jewelry that falls apart
    - shoddy clothing that does not look or wear well
    - automobile or television repairs made at high prices by repairmen whose work fails to hold up
    - patent medicines sold with exaggerated or incorrect claims
- A study in urban-renewal areas in Philadelphia showed that 92 percent of the residents do shop outside their home zone.
  - *Your money's worth in foods*, U.S. Dept. of Agriculture, Home and Garden Bulletin, #183
  - *Cutting the high cost of living*, Family Circle, March 1970
  - *20 ways to save money at the supermarket*, Reader's Digest, May 1970
  - Schrag, Philip G: Consumer Rights, *Columbia forum*, Vol. XIII, Summer 1970, 610 West 114th St., New York, N.Y. 10025
  - *Buyer beware*, Neighborhood Consumer Information Center, 3005 Georgia Ave. N.W., Washington, D.C. 20019

| UNDERSTANDINGS                                                                                                                                                                          | SUGGESTED PUPIL AND<br>TEACHER ACTIVITIES                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | SOURCE                                                                                                                                                                                                                                                                                                                                                                                                       |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <ul style="list-style-type: none"> <li>• CREDIT IS A MAJOR PROBLEM FOR THE POOR.</li> </ul>                                                                                             | <ul style="list-style-type: none"> <li>- "bargain" merchandise sold in small stores that spring up at Christmastime)</li> <li>• Invite a representative of a credit agency or a merchant who extends credit to explain: <ul style="list-style-type: none"> <li>- how credit is extended</li> <li>- the basis on which it is granted</li> <li>- the problems he has with credit</li> <li>- the solutions he suggests for these credit problems</li> </ul> </li> <li>• Invite a spokesman for a neighborhood group to speak and to answer questions on the credit problems of the poor. <ul style="list-style-type: none"> <li>- Is credit too difficult or too easy to obtain?</li> <li>- What problems with credit do the poor have?</li> <li>- What solutions does the spokesman suggest?</li> </ul> </li> </ul> | <ul style="list-style-type: none"> <li>• <i>Shopping for credit</i>, Cooperative Extension Service, New York State College of Home Economics, Cornell University</li> <li>• <i>Facts you should know about your credit</i>, Better Business Bureau of Metropolitan Boston</li> <li>• <i>Credit where credit is due</i>, New York State Consumer Finance Association, 160 Broadway, New York, N.Y.</li> </ul> |
| <ul style="list-style-type: none"> <li>• In a legal contest between the low-income consumer and a finance company or merchant, the low-income consumer is at a disadvantage.</li> </ul> | <ul style="list-style-type: none"> <li>• Role play a situation in which a low-income family is discussing the possibilities of bringing a suit against a merchant for what they believe to be overcharges for credit. <ul style="list-style-type: none"> <li>- What does the family know about bringing a suit?</li> <li>- What ideas do they have about what it would cost and how long it would take to settle the claim?</li> <li>- Do they think they can get justice in a court of law?</li> <li>- Are there any agencies in the community to whom they can turn for help?</li> </ul> </li> </ul>                                                                                                                                                                                                            | <ul style="list-style-type: none"> <li>• Federal Trade Commission consumer specialist</li> </ul>                                                                                                                                                                                                                                                                                                             |

## Background Material:

Remarks of Hon. Bob Eckhardt quoted in the Congressional Record, July 10, 1969: "Being largely unschooled in commercial practices and being forced to shop for credit, the low-income consumer finds himself at the mercy of the merchant. Through a continuing process of interaction, this consumer becomes familiar with the basic techniques that are employed by all high risk merchants. He may not understand the legal ramifications of the agreement but he knows the results of its consummation. Therefore, the 'Truth-In-Lending' legislation in its application only dramatizes for the low-income consumer his lack of a choice in the marketplace...For a low-income consumer who has little or no credit and is shopping for credit, the acquisition of necessities is the basic consideration. If the consumer cannot get credit elsewhere, he will purchase the merchandise on whatever conditions are available. To require that the conditions be disclosed does not protect him from cognovit clauses, open-end contracts with add-on clauses, excessive interest markups, and misrepresentation in the disclosure or non-disclosure of the agreement. This legislation only maintains the high risk merchant's position by requiring him to disclose information that he heretofore has concealed. Such legislation perpetuates the merchant's status by requiring that he disclose certain information, without giving consideration to the fact that he maintains a monopoly over a clientele that is incapable of economic participation in the retail credit market. With such a clientele, the merchant is in a position to literally dictate the terms...."

"Where the low-income consumer is the potential plaintiff, it is most unlikely that suit will even be brought. Many low-income consumers are unaware of the existence of either legal aid or the small claims court and simply do not think in terms of invoking legal processes on their side. Where the low-income consumer is sufficiently irate to take action, he is likely to stop payment as a form of pressure or retaliation against the merchant - and usually just worsen his own position thereby. For those few who do attempt to invoke legal processes the obstacles that must be overcome are substantial: (1) The merchant may have gone out of business (and re-entered under a new name) (2) Legal aid societies may be reluctant to help because they do not in general take plaintiff cases. (3) Private attorneys' fees would often be so high as to eat up any possible gain. (4) Alleged warranties may not have been in writing. (5) Frequently written documents will have been lost... When merchants or finance companies wish to sue, rather than invoke extra-legal pressures, the situation is very different; for them the legal process is a broad and easy road to garnishment. Merchant-initiated suits virtually never come to trial; the overwhelming majority- 97 percent in the case of Harlem merchants- end in default judgments because the defendant never answers the summons or complaint. In most cases-legal aid attorneys estimate 75 percent- this is because the defendant never received the summons. The common procedure has come to be known as 'sewer services'." (From a study prepared by the Neighborhood Consumer Information Center on May 26, 1969, and published under the title "A Comprehensive and Coordinated Study of Consumer Exploitation in the District of Columbia.")

\* \* \* \* \*

## UNDERSTANDINGS

- Credit can be either too easily obtained or too difficult to obtain.

## SUGGESTED PUPIL AND TEACHER ACTIVITIES

- In what ways or situations is credit made too easy to the poor?
  - What happens when the poor are "overextended" on credit?
  - Should the poor have their own credit unions? Why?

## SOURCE

- Film: *The poor pay more*
- *Soul sister*, pp. 104-109. On page 109 there is this summary: "Because Harlem lives on credit, the black consumers and the white merchants are engaged in a kind of dance of death: black people have their wants constantly stimulated by the high-powered advertising and fast-talking salesmen. They have poor judgment, too little cash and whatever their future wages, they're pledged for goods purchased in the present. They are therefore poor credit risks. The merchants then say they must place a high markup on low-quality goods to protect themselves against poor credit risks."

| UNDERSTANDINGS                                                                                                                                                                                                                                                                                                                                                                                                                   | SUGGESTED PUPIL AND<br>TEACHER ACTIVITIES                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | SOURCE                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <ul style="list-style-type: none"> <li>• OBTAINING AUTOMOBILE INSURANCE IS A PROBLEM FOR THE POOR.</li> <li>• Since insurance rates are largely based on risk and experience, those who live in areas where the crime rate is high, congestion is great, and likelihood of accident or theft is greater than in other areas often have to pay excessively high premiums. In some cases they may be refused insurance.</li> </ul> | <ul style="list-style-type: none"> <li>• Invite an automobile insurance salesman to discuss the reasons why rates for people living in poverty areas may be high.</li> <li>• Discuss the question from both sides of the issue. From the point of the poor, why should rates be high (or no insurance available) if the experience of the applicant is good, that is if he has made few or no claims for compensation regardless of the area in which he lives? From the point of the insurance companies who base rates on the risk (and there is a higher risk in the ghetto), is it not reasonable to classify all insurance applicants on the basis of the area in which they live, and their driving records, and establish uniform rates for all those with a common experience?</li> </ul> | <ul style="list-style-type: none"> <li>• "The soaring costs of liability insurance are making automobile ownership impossible for many poor Americans. If they cannot own automobiles, they cannot emerge from the congested cities where public transportation is available and cannot hold jobs at outlying factories. The present system of reparation produces two kinds of victims—those who are inadequately compensated for their injuries, and those who are charged the high premiums required by a wasteful system." Statement of Andrew J. Biemiller in hearings before the Consumer Subcommittee of the Senate Commerce Committee.</li> </ul> |
| <ul style="list-style-type: none"> <li>• ADEQUATE HOUSING IS EXPENSIVE AND DIFFICULT TO OBTAIN.</li> <li>• The poor usually have little choice of housing: <ul style="list-style-type: none"> <li>- Limited money restricts their choice</li> <li>- Desire to be with those of the same</li> </ul> </li> </ul>                                                                                                                   | <ul style="list-style-type: none"> <li>• Traditionally, the city slum has been the place where waves of immigrants found temporary shelter until upward mobility made it possible for them to move to better quarters. What social conditions have changed this picture?</li> <li>• It is generally believed that the slum landlord</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                    | <ul style="list-style-type: none"> <li>• "In spite of very tight housing markets, American cities are generating zones of abandonment—areas of housing so poor as to be without takers. This fact has enormous implications for the city's</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                     |



## UNDERSTANDINGS

- ethnic group or friends sometimes limits their choice
- Lack of a car may restrict their ability to move
  - There is a great demand for a limited supply of adequate low-cost housing
- There are lists of low-income families waiting long periods of time to get into public housing projects. Since that is the case, only crisis-ridden families may be admitted. Such crisis-ridden families, in turn, often create other problems which may turn even modern housing projects into slum areas.

## SUGGESTED PUPIL AND TEACHER ACTIVITIES

- makes large profits from exploiting the poor. Is this belief still true? If so, why is it that at an increasing rate slum landlords are abandoning their property?
- Considering the economic and social problems involved, what is the ultimate solution of the housing problem?

## SOURCE

housing. Much of the folklore of code enforcement, of health regulation, and of other governmental efforts to maintain the city's housing for the poor has presumed a basic high level of profit in low-end housing. The rallying cry has been that the landlords are growing fat and that if we could only get them to disgorge an appropriate part of the money they are securing from their rentals, good maintenance could be secured while still preserving enough profit to insure fresh private investment. This contention is based, however, on the supposition that there is a profitable and vigorous low-end housing market. The landlord will improve and the wherewithal to improve will be available only if a high degree of profit is shown by the city's low-income housing, not only in the present



UNDERSTANDINGS

SUGGESTED PUPIL AND  
TEACHER ACTIVITIES

SOURCE

but as an investment for the future. If the latter is not evident, the landlord's response all too frequently will be to milk the building and when faced with too many violations and too many problems, just simply 'throw it in.'

The rising rate of the return required for adequate maintenance and the problems of producing that return are a frequent source of ethnic clashes between owner and tenant." Sternlieb, George: *The tenement landlord*, Rutgers University Press, New Brunswick, New Jersey

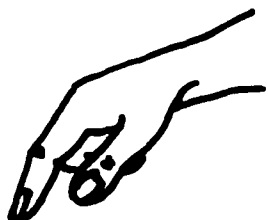
- . Conduct a roundtable discussion of housing problems of the poor. Invite a landlord, tenant, builder, public housing official, and mortgage loan officer to discuss the problems and to suggest solutions.
- . Take pictures of low cost housing of various types and make a pictorial display.

- . Contact the following agencies, all of whom have been active in developing housing for low-income families: William L. Hawkins, Executive Vice President, Bridgeport Area Chamber of Commerce, Stratfield Motor

| UNDERSTANDINGS                                                                                                     | SUGGESTED PUPIL AND<br>TEACHER ACTIVITIES                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | SOURCE                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
|--------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <ul style="list-style-type: none"> <li>BETTER SOLUTIONS TO THE HOUSING CRISIS IN AMERICA MUST BE FOUND.</li> </ul> | <ul style="list-style-type: none"> <li>What are some of the solutions to the housing problem?               <ul style="list-style-type: none"> <li>- Federal family support programs to raise income</li> <li>- Federal, state, or local housing projects</li> <li>- "sweat equity" program (The poor are helped to build or improve their own dwellings.)</li> <li>- greater reliance on pre-cut and pre-fabricated dwellings</li> <li>- more rent control laws</li> <li>- more urban renewal programs</li> </ul> </li> </ul> | <p>Hotel, Bridgeport, Connecticut 06603;</p> <p>Jerome I. Weinstein, Executive Director, Camden Housing Improvement Projects, 562 Benson Street, Camden, New Jersey 08103;</p> <p>Arthur J. Lumsden, CCE, President, Greater Hartford Chamber of Commerce, 250 Constitution Plaza, Hartford, Connecticut 06130;</p> <p>Mrs. Diane Jordan, Director of Marketing, Flanner House Homes, Inc., 445 North Pennsylvania - Suite 110, Indianapolis, Indiana 46204;</p> <p>John Chapman, Executive Vice President, Muskegon Area Development Council, Fourth Street at Webster, Muskegon, Michigan 49411;</p> <p>Eugene Rubin, Director of Urban Affairs, Savings Banks Association of New York State, 200 Park Ave., New York, N.Y. 10017.</p> <ul style="list-style-type: none"> <li><i>Where the action is</i>, Chamber of Commerce of U.S., Washington, D.C. 20006</li> </ul> |

## THE TWO SIDES OF THE HOUSING FOR THE POOR PROBLEM

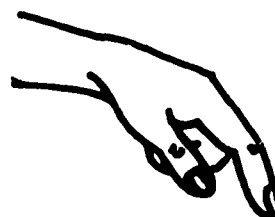
On one hand



The Poor Say —

- There aren't enough apartments available.
- The nonwhite buyer pays inflated purchase prices - 50 to 100 percent above the normal purchase price.
- Typical purchase money contracts for as short a period as 8 years make it difficult to raise cash to buy property and to pay for it.
- Nonwhites have to pay more than whites to rent the same property.
- The landlord doesn't keep the property up.
- The landlord charges too much.
- There isn't enough public housing.

And on the other



The Landlord Says —

- Vacancy rates in the hard-core slums are increasing sharply with large-scale landlords being hardest hit.
- Prices are higher because risks are greater.
- Conventional lending sources are unwilling to finance such purchases because of the risk. Purchase money contracts are the only way they can be financed.
- That may be true but nonwhites tend to drive whites out. To keep some whites in the building, rent for them must be less.
- Vandalism, lack of tenant care, and high taxes inhibit the improvement of slum properties.
- To reduce the price of an apartment to the level of the low income means that it has to be poorly maintained. Even with low maintenance, it may not be economic to rent at reduced rates.
- Those who don't want to pay the cost of private housing should be accommodated in public housing.

- Even if there were enough public housing, the poor would rather stay in their own neighborhood.
- There is a stigma attached to public housing.
- The rules that go with public housing are objectionable.
- The landlord won't make improvements.
- Rents charged are discriminatory.
- Absentee landlords don't care.
- Most of the property owners are white and don't understand or care about the problems of nonwhites.
- The tenant is unwilling to pay enough in increased rents to make it profitable to improve the property.
- Frequent tenant moves and high unemployment with inability to pay rent regularly require high rents.
- The high risk associated with ownership of slum property requires expert knowledge of the situation. Bigtime operators with experience in the field can most efficiently manage such properties.
- Nonwhite owners charge just as much as white owners.
- "The new Negro buyer is avoiding the old hard-core area. In his absence it is the large holder who is the new purchaser. Negro buyers are leaving the hard-core to the big time professional, preferring better areas for home ownership."  
Sternlieb, George, *The tenement landlord*

| UNDERSTANDINGS                                                                                            | SUGGESTED PUPIL AND<br>TEACHER ACTIVITIES                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | SOURCE                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
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| <ul style="list-style-type: none"> <li>• ONE OF THE MAJOR PROBLEMS OF ALL CONSUMERS IS SERVICE</li> </ul> | <ul style="list-style-type: none"> <li>• Since appliances and cars are subject to deterioration, there is a growing need for good service to maintain them. Why might the poor suffer most in meeting their service needs? (They may not be aware of:               <ul style="list-style-type: none"> <li>- preventive steps to take to avoid problems</li> <li>- how the appliance or car works and thus be gullible to overcharge</li> <li>- other sources of service, thus may be unable to take advantage of competition</li> <li>- the need to get estimates, preferably in writing</li> <li>- steps to take if they have been overcharged)</li> </ul> </li> <li>• Have members of the class list examples of difficulties they or their families have had with appliances and home or automobile repairs. Conduct a question-and-answer session with an industrial arts or home economics teacher and an appliance or automobile repairman. Have each student prepare his complaint in brief form stating the problem, the steps taken, the cost of the repair, and the complaint. Have the invited speakers respond to the problems and suggest alternative steps that could have been taken.</li> </ul> | <ul style="list-style-type: none"> <li>• "A statistical breakdown of the complaints received showed that 536 (20%) involved the purchase and repair of appliances; 482 (18%) involved the purchase of furniture; 375 (14%) involved the purchase of retail items; 296 (11%) involved finance companies; 161 (6%) involved home improvement; and 455 (17%) involved miscellaneous items." <i>Neighborhood Consumer Information Center</i></li> <li>• Industrial arts teacher</li> <li>• Home economics teacher</li> <li>• Appliance repairman</li> <li>• Automobile repairman</li> </ul> |

UNDERSTANDINGS

SUGGESTED PUPIL AND  
TEACHER ACTIVITIES

SOURCE

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| <ul style="list-style-type: none"> <li>. CREDIT COLLECTION ABUSES ARE A MAJOR IRRITATION TO THE POOR.</li> <li>. One of the major causes of the slum riots in major cities of the United States in 1968 was the routine victimization of ghetto inhabitants by slum merchants and lenders of money.</li> <li>. Frequently, the courts are used as debt-collection agencies to the disadvantage of the debtor and of the taxpayer.</li> </ul> | <ul style="list-style-type: none"> <li>. What persons or agencies are available in the community to help consumers avoid problems or resolve conflicts of this type?</li> <li>. Role play a situation in which a debtor is harassed for past-due installment payments. Use the following sometimes typical debt-collection methods:             <ul style="list-style-type: none"> <li>- sending of a number of dunning notices from debt collection agencies with names which appear in some cases to be government agencies</li> <li>- threats of legal action and serious damage to the debtor's credit rating</li> <li>- telephone calls at all hours of the day or night</li> <li>- notices or telephone calls to the debtor's employer which may lead to the debtor's loss of a job</li> <li>- calls to the debtor's neighbors, wife, or children</li> </ul> </li> </ul> | <ul style="list-style-type: none"> <li>. State Bureau of Consumer Frauds and Protection</li> <li>. City or county consumer protective agencies</li> <li>. Legal Aid Society</li> <li>. Better Business Bureau</li> <li>. Chamber of Commerce</li> <li>. Federal Trade Commission</li> <li>. Neighborhood consumer agency</li> <li>. Report of the President's Advisory Commission on Civil Disorders, 1968</li> <li>. "Pressure is constant and unrelenting. The only limits would appear to be the ingenuity of the creditor and the susceptibility of the consumer." Blair C. Shick, a Massachusetts law center attorney. The National Consumer Law Center, Brighton, Mass.</li> <li>. In Massachusetts, debt collectors are licensed by the state and a collector may lose</li> </ul> |
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## UNDERSTANDINGS

## SUGGESTED PUPIL AND TEACHER ACTIVITIES

- false representations that the collector is a policeman, a private detective, or a lawyer
- . Gather examples of debt harassment from the experiences of pupils' families, friends, or acquaintances and illustrate each in the form of a drawing or cartoon.
- . From friends and acquaintances or from court visits gather examples of how some merchants use the courts as collection agencies. What were the circumstances of the case? What was the decision of the court in each case? What were the court costs? How fair did the decision appear to be?

## SOURCE

- his license if he calls you late at night, informs your employers that you owe money, or even uses envelopes suggesting you have not paid your bills.
- . In New York City, a new regulation, under the city's 1969 Consumer Protection law, forbids creditors (or their lawyers or collection agencies) to "communicate or threaten to communicate with an alleged debtor's employer" without first obtaining a court judgment against the debtor.
- . The Federal Consumer Credit Protection Act makes it a Federal crime for a creditor or his representative to use violence or threats of violence to collect debts.
- . New York City Consumer Affairs Commissioner Bess Myerson testified before the Federal Trade Commission on September 14, 1971, that: "Often lower courts have



## UNDERSTANDINGS

## SUGGESTED PUPIL AND TEACHER ACTIVITIES

## SOURCE

- Although there are both Federal and State laws to restrain fraudulent, deceptive, or threatening collection practices, the practices referred to do occur with some frequency.

- Contact the New York State Bureau of Consumer Fraud and Protection, Department of Law, to learn what steps have been taken by the attorney general to end deceptive or threatening debt collection practices.

Ask a representative of the State Bureau of Consumer Frauds and Protection or a local attorney to outline the meaning of, and the protection afforded to, debtors in New York State as regards:

- confession of judgment
- waiver of remedies
- right of entry
- acceleration of payment
- balloon payment
- before and after acquired property clauses

been used as government-supported collection agencies which benefit business to the detriment of the average taxpayer. A tiny minority of plaintiffs file an enormous number of lawsuits and use court processes unfairly for their own advantage."

Commissioner Myerson reported the results of a computer survey of 7,000 cases filed in the Civil Court.

The survey showed:  
10 process servers were responsible for 36 percent of all cases filed;  
10 notaries were responsible for 46 percent of all cases filed;  
10 attorneys were responsible for 26 percent of all cases filed;  
20 plaintiffs were responsible for 35 percent of all cases filed.

- The Federal Trade Commission has begun conducting public hearings to determine whether rulemaking or other action by it is warranted to correct any unfair or deceptive

## UNDERSTANDING

## SUGGESTED PUPIL AND TEACHER ACTIVITIES

## SOURCE

- add-on
  - waiver of defenses
  - How many of these practices are forbidden in New York State?
  - . Ask an attorney to explain the meaning and discuss the legal consequences of:
    - holder in due course
    - garnishment
    - default judgment
    - sewer service
    - lack of legal representation
  - . Some laws have been passed and others are needed to curb creditors from using violence or threats of violence to collect debts.
  - . What suggestions do students have to solve this problem? Try to see both sides of the case: the harassed debtor and the merchant who expects payment for merchandise sold.
  - . The attorney general has sponsored legislation to license and regulate collection agencies. Should such legislation be passed? Try to arrange a debate between a consumer who feels there should be such legislation and the representative of a store or collection agency opposing such action.
- debt collection practices which may be found to exist. The Commission is seeking information concerning the possible existence of the following practices by creditors and collection agencies:
- . Using fraudulent service of court summons to obtain default judgments without notice
  - . Initiating suits against consumer debtors in distant locations, resulting in default judgments due to their failure to defend
  - . Using collection notices containing false or misleading representations — notices that simulate legal process, for example
  - . Using deceptive means to obtain confidential financial information from a debtor, such as an offer of a valuable gift or using the pretext that a "survey" is being conducted

## UNDERSTANDINGS

## SUGGESTED PUPIL AND TEACHER ACTIVITIES

## SOURCE

- . Notifying a debtor's employer of the debtor's past due account or requesting the employer to help collect the debt, thus bringing undue pressure on the debtor
  - . Threatening to seize items which are, by law, exempt from legal collection processes; threatening to garnish, seize, attach, or sell any of the debtor's property or wages without a court order permitting such action
  - . Harassing the debtor through profane or obscene language or by placing telephone calls continuously or at unusual times
  - . Using violence or threats of violence to collect debts
  - . Threatening to damage the debtor's credit status by referring his name to a bona fide credit reporting agency when no such action was taken or contemplated
- . Ask an attorney to discuss what protection the law in New York State provides against harassment. (Section 240.25 of the Penal Law relating to Harassment and Section 240.30 of the Penal Law relating to Aggravated Harassment.)

## UNDERSTANDINGS

- Some high-risk merchants use the court system as a collection agency to protect themselves against customers who do not or cannot pay.
- Some merchants will sell to almost anyone willing to sign an installment contract. The merchant is secure in the knowledges that provisions in the contract will insure that any assets of the debtor will eventually be extracted through the court.
- Failure to meet credit obligations may result in legal proceedings. Often the poor are unaware of their right to a day in court or even that a suit was filed against them.

## SUGGESTED PUPIL AND TEACHER ACTIVITIES

- Assign committees of students to report on various unfair practices that some merchants employ.

- Discuss the meaning of the following terms:
  - suit
  - summons

Where is the local civil court? If possible, visit the court and talk to a clerk to learn how to answer a summons.

Why might a low-income consumer fail to appear in court?

(Answers might include:

- confusing legal language of the summons
- case heard during working hours
- lack of transportation to the court
- unavailability of legal counsel
- failure to receive the summons)

## SOURCE

- Sherwin, Sidney: *Debtors and creditors; rights and remedies*, Attorneys' Aid Publication 1969
- Caplovitz, David: *Debtors in default*, Volume 2, Free Press
- Local attorney



UNDERSTANDINGS

- IN EVERY AREA OF CONSUMER ACTIVITY, THE POOR ARE MOST APT TO BE HURT.

SUGGESTED PUPIL AND TEACHER ACTIVITIES

- Think of the things for which consumers spend money. In addition to housing, food, automobile insurance and repairs, what would they be? (Answers might include: health care, beauty care, recreation, clothing, life and accident insurance, education, transportation, etc.) Assign groups of students to each area listed. Have them investigate the items or services the poor might need and buy. What kinds of errors might be made? How could these errors be avoided? Where could help to make a better decision be obtained?

SOURCE

- The companion modules in the series *Expanded Programs in Consumer Education* deal with some of the areas of consumer spending. See *Consumers Look at Automobile Insurance*, *The Consumer and His Health Dollar*, *The Consumer and His Tax Dollar*, *The Consumer and Transportation*, # *Recreation and the Consumer*, # *Education and the Consumer*, *Beauty Products and the Consumer*, # *Consumer Issues and Action*. (Those marked with # have already been published. The others will be published during 1972.)
- See also the original State Education Department Syllabus, *Consumer Education - Materials for an Elective Course*

## SUMMARY

Because they are often limited in knowing how to deal in the market, and since they have limited money to spend, the poor suffer most from the problems that beset all consumers. For the poor to improve their position some or all of the following steps need to be taken:

1. THERE MUST BE A RECOGNITION OF THE FACT THAT WHILE MOST BUSINESSMEN ARE HONEST AND ETHICAL, THERE ARE ENOUGH DISHONEST MERCHANTS TO REQUIRE THE CONSUMER TO BE CONSTANTLY ON GUARD.
2. CONSUMERS MUST UNDERSTAND THAT THE DESIRE TO GET SOMETHING FOR NOTHING OR AT LESS THAN TRUE VALUE IS THE BASIS FOR MOST DECEPTIVE AND FRAUDULENT SCHEMES.
3. AN UNDERSTANDING OF AT LEAST THE BASIC ECONOMIC FACTS OF HOW BUSINESS OPERATES IS ESSENTIAL TO THE CONSUMER.
4. SOME CONSUMER PROBLEMS OF THE POOR CAN BE OVERCOME BY INDIVIDUAL ACTION; OTHERS WILL REQUIRE HELP AT THE COMMUNITY, STATE, AND NATIONAL LEVELS.
5. BUSINESS MUST RECOGNIZE ITS RESPONSIBILITY TO PROVIDE THE CONSUMER WITH A "FAIR SHAKE" ON PRICE, SERVICE, UNIFORM REFUND POLICIES, AND HONORING OF GUARANTEES.
6. ALL CONSUMERS MUST BE MADE AWARE OF THEIR RIGHTS UNDER THE LAW AND THE AGENCIES AVAILABLE TO HELP THEM SECURE THESE RIGHTS.



ADDITIONAL SUGGESTED ACTIVITIES FOR THE MODULE  
ON SPECIAL PROBLEMS OF THE POOR

- . If it can be arranged, prepare identical food marketing lists. Use cash to pay for one group of items and food stamps for another. Check for price variations on the totals. Do stores charge more if food stamps are used? How do stores make enough profit on food stamps to pay for the extra bookkeeping involved?
- . Encourage students to do some comparison shopping themselves. What products would students be interested in? What is the attitude of store managers or sales persons toward comparison shopping? Is there any price variation in products that students use regularly? Figure the savings in a month's or a year's time if bought from the cheapest source.
- . Obtain and demonstrate some of the new foods available such as:
  - textured protein products made from cottonseed, peanuts, sesame seed, soybeans, sunflower seed, and wheat. These have the same appearance, taste, and texture as the simulated foods - beef, cheese, poultry, and seafood. How much saving could be effected by using them?
  - Investigate other new developments such as IR-8, a miracle rice grown in Asia (produces from two to six times as much rice as ordinary plant), a new variety of corn containing more protein, new varieties of wheat and rice.
- . Role Play:
  - how to call and complain about a product
  - how to return unsatisfactory merchandise
  - buying furniture
  - looking for an apartment in Harlem
- . Do some dramatic skits: Explain to older people how food stamp plans work
  - Try to convince a young, unemployed mother that she should enter her two young children in a day-care center and enroll in job training herself.
- . Suggest that students write and/or illustrate stories for children using consumer facts.
- . With the help of students make a lesson plan for teaching kindergarten children about some consumer idea and then have the students teach the lesson.

- Service charges are a major expense. Suggest ways in which consumers may save money by providing services themselves instead of purchasing them. (Example: washing cars, fixing simple appliances, cleaning rugs, making simple automotive repairs, altering garments, re-upholstering or repairing furniture, painting and wallpapering walls, using service manuals to check inoperable appliances)
- Plan money savings programs for neighborhood centers using teen-aged leaders, both boys and girls. Start with something appealing such as a demonstration of making bread or rolls.
  - 1 1/2 pounds of homemade rolls cost about 42 cents.
  - 1 pound of store-bought rolls cost about \$1.49.

Other food demonstrations that would be of interest might be making jelly from a can of frozen grape juice (it makes several large glasses) or preparing a biscuit mix that could be used for biscuits, cookies, dumplings, pancakes, or waffles. Have students check the savings.

- Terms that some recipe books use are difficult to understand. With the cooperation of the language department, have students rewrite some easy recipes into Spanish or Italian. Black students might rewrite some in simpler form for their black neighbors.
- Publish a consumer news-sheet or newspaper for distribution to other students, neighborhood centers, door-to-door, etc. If there is a Community Action Center, volunteer student services to write articles for their news-sheet.
- If talent is available, plan some radio or television programs, using the information obtained from this module. If there are local consumer programs being aired, offer student aid and participation.
- Report on the effects of malnutrition on pregnant mothers, infants, and mothers.

(Quotation from Let Them Eat Promises, pp. 36-37)

A morbid chain.....Poverty means improperly fed pregnant women...  
 Which means ill-fed fetuses in their wombs...  
 Fetuses which fail to synthesize proteins and brain cell at normal rates...  
 Which means a high rate of mortality among infants...  
 And further lack of brain and body growth during the crucial first four years of life.  
 This morbid chain does not end there.  
 The pregnant mother, with poor nutrition and infectious diseases during pregnancy, is more likely to deliver a premature infant. This child, if it lives, will have greatly increased risks of brain damage, slow development, and other problems.

- Report on the cooperative movement as a constructive step to help ease the food buying problems of the poor, using the following reference:  
 "Tenants Find a Way To Cut Price of Food," New York Times, October 17, 1970
- Divide the class into three groups and give each group 15-20 minutes to prepare an answer to one of the following assigned questions:
  1. List five things you value most. How would each of these be affected by extreme poverty?
  2. How would living at the poverty level affect your attitudes toward: - driving a car? - taking care of a child? - shopping in a crowded store? - waiting for a bus? - working in a store?
  3. What conflicts would living in poverty conditions cause to your present social, political, moral, and intellectual values?
- Discuss the significance of Jennifer Cross' statement in The Supermarket Trap:

Washington now more or less officially recognizes that the poor do pay more. A few agencies are even waking up to the fact that consumer education is essentially a middle-class idea, either irrelevant or nonsensical to the poor, and that the normal government language is no better understood than Cantonese.

- Have a committee draw up a list of ways to save money in the selection, purchase, and preparation of foods. The following are suggestions to start the group off:
  - Make homemade bread and rolls - cut cost in half.
  - Cut up whole chicken yourself instead of buying it cut up - save 4-6¢ a pound.
  - Cut up boneless chuck for stew meat - save 10-20¢ a lb.
  - Buy sliced pork loin instead of pork chops - 30¢ cheaper per pound.
  - Buy chicken backs and necks for 20¢ a pound and cook for soup, stew, and creamed dishes.
  - Buy the biggest bag of staples, such as flour, sugar, meal, beans, that you can afford and have room to store.
  - "Variety" or organ meats are usually the cheapest and best source of nutrients. Learn to cook them correctly - for example, overcooking liver makes it strong and tough.
  - Pick dandelion greens and use for salad or vegetable. Cook them as the Chinese do - in oil with sugar and salt, for less than 5 minutes, as a delicacy. Learn about other edible wild plants and how to prepare them.

Reference: Medsger, Oliver Edgar: *Edible wild plants*,  
 Macmillan, 1943

- On the following page is an original game called Market Maze which will emphasize many good and bad shopping habits. Students might like to play this game and then make one of their own.

# MARKET MAZE

WHO WILL BE THE FIRST TO FIND HIS WAY TO CONSUMER SUCCESS?

Roll one die - follow directions

