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REMARKS BY
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BEFORE THE
CONSUMER SCIENCES AND RETAILING
EXECUTIVE SPEAKER SEMINAR

AT
PURDUE UNIVERSITY
WEST LAFAYETTE, INDIANA

THURSDAY, APRIL 25, 1985

1:30 p.m.

Thank You!

Dean Compton, Dean Liska, other distinguished faculty,
Ladies and Gentlemen, Students: ==

It is a pleasure to be with you today on the campus of Purdue University, / a major land-grant institution, / to participate in your Executive Speaker series. / I understand that Purdue has a reputation of having more homework per student than any other university in the United States. //

I appreciate the invitation to be here today to applaud the consumer affairs and educational efforts of your university community-- / not only on campus, but through more than 100 County Extension programs throughout the state. //

Purdue has a noble history, / and the seeds planted many years ago have borne exceptional fruit. // ~

Purdue is unique in that it was the first of the great midwestern universities to establish, / in 1869, / an engineering school within the land-grant system / established in 1862 under the Morrill Act by President Lincoln. / Who could have foreseen then, (back in 1869) that 100 years later excellence in engineering here, would earn Purdue the title of "Mother of Astronauts." //

Then in 1914, the Cooperative Extension Service was

formed under the Smith-Lever Act and continues to be a strong force in taking the research of this great university to consumers of all ages throughout this great "Hoosier" state and elsewhere.

Also, near the turn of the century, you had a professor here by the name of Harvey Washington Wiley. He was almost dismissed from his position as a chemistry and physics teacher because he rode around the campus on one of those old-fashioned bikes with a huge wheel in front and a small one in back. The faculty at that time thought such conduct was unbecoming for a professor. Who could have foreseen then, that a professor who almost lost his job would be the major force behind passage of the Food and Drug Act in 1906. Since its enactment that Act has saved millions of lives and underpins our faith in the safety of foods and drugs we purchase ^{today}.

So consumers throughout our nation have benefited from the many contributions made by your university, through Dr. Wiley, the Cooperative Extension Service, and others. This is why I am pleased to be here during the period that President Reagan has designated as National Consumers Week. As you may be aware, the theme for this week is "Consumers Should Know." Today's forum gives me an opportunity to discuss that theme in depth and to highlight a few of Purdue's involvements in the Consumer Affairs fields.

Those of you who are students in the School of Consumer and Family Science can be extremely proud to be trained in a school that ranks among those at the very top in the nation in quality of its programs. / It has been a privilege for me to know and work with your Dean, Dr. Compton, who has contributed so directly to this fine standing. /

In your Department of Consumer Sciences and Retailing, / the consumer affairs and consumer financial advising programs are growing more rapidly than other areas--a strong indicator of student interest in consumer matters. //

In the area of research, / your contributions to consumer issues and needs are impressive--consumer satisfaction in auto arbitration, / credit card spending behavior, / and consumer use of resources, / to name a few--all areas that have direct impact on consumer information and education programs. / And the message is getting out--as evidenced by a recent article in USA Today on the financial status of American families. / Consumers should know their way in the marketplace and through your fine outreach programs you are making it easier for people to know. //

"To know" implies two basics: information and education. / Information gives facts. / Education enables the processing of facts so we can make judgments or choose a course of action. / It is through consumer and economic education that we obtain facts about the marketplace and the ability to process these

facts into the everyday judgments we must make and actions we must take. //

Information is fact, education is process. / Consumers need both. / They are vitaly important because they form a fundamental and indispensable base for marketplace understanding, / for responsible citizenship, / for economic decisionmaking, / for individual or family economic security, / for planning futures...for making one's way through the world. /

Those of you who are majoring in consumer subject areas - know the complexity of the various lending and investment options, / County Extension staff know the challenge of presenting these options in an easy-to-understand format for lay audiences. / There's a book on the market about home buying, / and it has at least forty intelligent questions a consumer should ask before choosing and buying. //

In addition to economic decisions and purchasing, / consumer and economic education promotes effective and responsible citizenship. // As our economy becomes increasingly global, it is imperative that consumer educators and other consumer affairs professionals understand, and incorporate into educational programs, / those issues which directly impact on the availability, the quality and the safety of goods and services. //

Let me highlight just a few of these issues--

There is now occurring in Washington an extremely important debate on trade, (particularly trade with Japan.) Japan has a trade surplus with the United States of around \$35 billion a year. There are those who claim that Japan is not being fair by refusing to open its trading doors as extensively as we have. / There are similar allegations about other nations, / all of which have led to a very strong movement to pass legislation to "protect" American business. // I hope every action we take is very clearly thought out, because if this "protectionist" movement is successful it will have considerable impact on how we live, / a limitation on the products available to us, / and the increased cost of goods and services. *And retaliation by our trading partners.*

International, national, and local debates over economic and consumer matters will obviously affect our lives for better or worse, depending on how they are resolved. / ~~For instance, debates on our trade policy with other nations may have considerable impact on how we live, on what we are able to buy, and how much we must pay for goods and services.~~

Through your newly established Consumer Newswriting program (in the Department of Consumer Science, and Retailing) you now have an excellent channel for sharing your expertise on current consumer policy issues with the public through the media. / I have read several of the "Purdue Consumer" columns

and congratulate you on this special form of outreach.

In addition to responsible citizenship, consumer and economic education can give one a better perspective on the blessings of living in a free enterprise system which is so essential in the development of sound public policy.

But there is still another important aspect of consumer education and information, which relates to the confidence and the economic security of the individual.

The changes that have occurred in this century, in what amounts to a micro-second of time on the earth's calendar, are staggering. Collectively those changes have had an enormous impact on our quality of life. We went from mechanical energy to a vacuum tube, from a transistor to a micro-chip, and from a hand-operated phonograph to compact portable entertainment systems. We have seen vast changes in transportation and communications systems, and ^{we} now have the capability to purchase retail goods via sophisticated home computer systems.

Within this country, our nation has gone from family-centered neighborhoods where print was the chief source of information, to a global economy where international events and relationships via satellites have a massive and immediate impact on our lives.

Allied with the vast technological changes are literal

upheavals in the marketplace. / In a few short years we have moved from a heavily regulated society toward a system of reasoned deregulation. / The overall result is intense competition for the consumer's business and a vast increase of complex choices. //

Those who cannot (or will not) understand technology or the impact of global concerns on marketplace changes / might easily experience what Alvin Toffler calls "future shock": Consumer and economic education that helps us understand our present environment while exploring current and future trends / can contribute to a greater sense of confidence for the consumer. //

Economic decisionmaking, responsible citizenship, economic understanding, and future planning / those are some key payoffs of a sound consumer and economic education. //

How well then are our nation's schools doing to provide these payoffs? //

The good news starts right here on your campus. / You are in the vanguard of colleges in the financial planning field. / Your Cooperative Extension Service and the consumer newswriting workshop both provide consumers with an understandable but sophisticated communications program to meet consumer needs. //

Your career program for consumer professionals helped

launch the nation's first student chapter of the SOCAP--the Society of Consumer Affairs Professionals -- with fifty members! // Those members have been key supporters of the Executive Speaker Series and ^{are} in attendance here today. // During this semester the Series has brought to the campus many of the nation's leading experts from government and business. //

So just as your University's early pioneering program in engineering eventually led to the title of "Mother of the Astronauts", // you have set the standard for others in the field of consumer affairs. //

And there are other educational institutions on all levels, from kindergarten to college, // which are providing their students with effective consumer and economic programs. // But the statistics show there is ^{much more} more to be done. For example:

A nationwide survey of 17-year-olds taken by the Education Commission of the States showed that most could not define the word "inflation." // Only 30 percent understood unit pricing. // One-fourth thought that government guaranteed a profit for business // and only 17 percent knew that the Better Business Bureau was not a law enforcement agency. //

A more recent national survey by the Hearst Corporation showed that the vast majority of adult Americans do not understand

understand basic concepts about business and the economy.
Sixty percent did not know the definition of gross national
product. Over two-thirds did not understand the Dow Jones
Industrial Average and only one in six knew that the average
profit margins for the country's largest firms were less than
ten percent of sales.

I am concerned that if we do not prepare our students
now with the proper consumer and economics instruction we
may, through default, be short changing students and adults
who desperately need to know how to make intelligent choices
and trade-offs in the marketplace, who need to know how to
protect themselves from fraudulent activities, who must
participate as full citizens in the national and
international policy debates that affect their lives, and who
will continually be victims of the rapidly occurring changes
that impact on their daily lives.

Consumer and economic education must remain a priority
equal in importance to teaching students how to make a
living. It is one thing to be able to read, but it is quite
another to know how to read and understand a warranty. It is
one thing to learn simple mathematics, it is quite another to
calculate interest rates and balance checkbooks. It is one
skill to be able to write but is quite another to be able to
gather facts and to write an effective letter of honest
complaint.

Now, I have discussed problems. What is my office doing about them?

Under a recent reorganization, the United States Office of Consumer Affairs is focusing a special effort on providing a national leadership role to improving consumer and economic education in both formal and nonformal sectors. To a large measure, this means fostering and facilitating the development and exchange of information by educators, business and consumer leaders, to provide the consumer with accurate information and effective educational programs.

Centered in the newly established Division of Consumer Education, *headed by Charles Casagrande and Dr. Geraldine Power*, this effort is the cornerstone of the reorganization. Our objective is to encourage and work with those in government, educational institutions, business, voluntary groups, and individual citizens to enhance consumer and economic education. Our objective is to promote (to the best of our ability), more widely available consumer and economic education information for students at all levels, and for community-based adult programs. This includes sound support from the business community for objective and helpful programs and materials.

We will continue to emphasize a broad multi-disciplinary approach to unify and increase the total impact of everyone working in consumer and economic education programs. We are doing our best to foster and facilitate needed consumer

education research and materials. We will capitalize on the unique opportunities and resources at our command to stimulate and facilitate the provision of services and programs to consumer educators in industry, private sector organizations, academia, and the K-12 school system, such as training seminars and conferences and related materials.

We are exploring ways in which we can encourage and expand new, innovative consumer and economic programs. I have always felt that the field of consumer education harbors many creative, independent thinkers who devise exciting and effective approaches to teach consumers. These innovators are developing the programs of tomorrow--yet we need to benefit from their work today. Through our "Visting Scholar" program we are attempting to tap this valuable resource by bringing noted educators to work, for a short period, in my office to provide counsel and develop recommendations. For example, one of our recent scholars compiled research information to help substantiate the need and value of consumer and economic education. This initial effort will contribute to my office's long-term objective of identifying cost/benefits of consumer and economic education to specific target groups.

With the assistance of the University of Detroit and Detroit Testing Laboratories, my office convened an educator's roundtable last August to discuss problems and

propose ^{new} strategies in the field of consumer and economic education. / We have developed a report from the roundtable and plan to distribute it to educators and needed support groups.

In short, you and I have made a beginning. / There is much more to be done. / In the world of today and tomorrow, there is and will be, a continuing need for educating consumers. / I welcome your support and the support of the other great educational institutions of this land of ours.

Thank you.