

Book Review

Postprint.

For published article see:

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Consumer Economics: The Consumer in our Society. Mel J. Zelenak and Wendy Reiboldt. Scottsdale, AZ: Holcomb Hathaway Publishers, 2006. 352 pages. Paperback, \$49.50.

The 14 editions of Consumer Economics: The Consumer in our Society is a comprehensive update of the background knowledge that readers need upon which to base their day-to-day economic decisions. The authors are successful in making the text very readable for those already well acquainted with the consumer economics literature and those who have not heard a word about this area of study.

This book is divided into four sections: description of consumers; the marketplace situation; financial issues; and remedies for consumer issues. Since all readers are consumers, any readers will gain knowledge about who they are; their freedoms and restrictions; and fraud and rip-offs they face in today's marketplace. The book also takes on a normative view and educates readers how to search for help and resolve the issue if, and when, they become a victim of a fraud or rip-off. Each chapter employs one or two case studies that provide a few insightful questions for contemplation by the reader as they go over the text. The authors also include discussions of major consumer legislation related to the content covered in each chapter.

The first section comprises four chapters: defining consumers, explaining consumer demand and market supply, and discussing consumer freedoms and restrictions. Affecting consumer wants, according to the authors, are reference groups that consumers associate with, along with other forces such as environmental, socioeconomic, political forces and sellers. The authors also made it clear that not all consumer wants can be satisfied. Consumers have the freedom of choice and, at the same time, face all sorts of restrictions.

Section two has five chapters that focus on explaining how the marketplace can both serve and disserve consumers. The authors suggest that consumers do not always make reasonable choices and, therefore, should carry part of the responsibility for the rampant rip-offs and frauds in the marketplace. Using advertisements as an example: advertising claims have a powerful influence on consumers' purchasing decisions, yet not all of these claims are true and sincere, but consumers buy with disregard to these claims. This section stresses the importance of consumer education—the essential way to help consumers avoid being ripped-off in the first place.

Financial issues directly affect consumers' economic wellbeing on a daily basis. The authors devote five chapters in section three to the complex financial issues with which consumers are frequently confronted in today's marketplace. The authors are very thorough in providing information on consumer problems in budgeting and spending; consumer credit, debt, and

bankruptcy; home ownership; saving and investing; and insurance. Readers will benefit from reading about how to budget, how to manage debt, how to make optimal savings and investment decisions, how to use insurance, and what factors to consider when making home renting or buying decisions.

In the last section, the authors describe what our government and the society are doing to combat rip-offs and frauds. This section incorporates the latest information on laws and regulations that are related to consumers' lives. The authors direct readers how to shop effectively; introduce consumer laws; and identify sellers' self-regulation efforts and the federal, state and local government regulation efforts to help consumers.

The authors point out that adequate laws, enforcement of those laws, and an educated citizenry are the three elements needed in the field of consumer protection. They suggest that being educated is not only a consumer right, but also a consumer responsibility. Despite the variety of issues consumers face in the current marketplace, new rip-offs and frauds are being created every day. It is important that we understand our role as consumers and our rights and responsibilities; be knowledgeable about the marketplace and its strategies; and become familiar with all kinds of resources, public or private, for remedies of various consumer issues. Only then, are we able to identify and avoid marketplace frauds and rip-offs and utilize appropriate resources to resolve the issues once a victim. Being equipped with knowledge and skills increases consumers' ability to search for information, process information, and make reasonable decisions based on the information. Adequate consumer education makes it possible for us, as consumers, to make timely and appropriate recommendations to the government about what kinds of laws and regulations are needed to protect consumers and how to effectively enforce those laws.

This book is an excellent candidate for an undergraduate textbook in the consumer economics field. It has a broad appeal to a wide range of individuals, who are willing to become more educated, leave behind the frustration of poor decision-making, and increase their economic wellbeing as consumers. I highly recommend this book to all.

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