

**Resource Economics 162**  
**THE CONSUMER IN OUR SOCIETY**  
**T, Th: 9:30-10:45 a.m., Hasbrouck 126**  
**Fall 2010**

*Resec 162 is a 4 credit General Education course with a Social and Behavioral Science designation.*

**Professor:** Dr. Sheila Mammen  
**Office:** 303 Stockbridge Hall  
**Office Hours:** Tues. & Thurs. 11:00 a.m. – 12 noon or by appointment  
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**CLASS OBJECTIVES AND POLICIES**

**Class Objectives:**

Resecon 162 provides an analysis of the important role of consumers in society including their decision-making and market and non-market consumption activities. This is a general education course with SB designation, therefore, an interdisciplinary perspective will be used. Research findings from a variety of disciplines (economics, behavioral economics, sociology, psychology, social psychology, political science, anthropology, and ecology) will be applied on the human and social, cognitive and emotional factors to better understand consumers' economic decisions. Critical thinking skills will be used to examine a variety of contemporary consumer economic issues as well as topics such as consumer rights and responsibilities, the impact of advertising, use of consumer credit, product safety, consumer fraud, and legal protections available to consumers.

Having successfully completed this course, you should:

- (1) Be familiar with the complexities of the American economic system;
- (2) Understand how the consumer functions in the marketplace and identify the economic, social, psychological, and political forces that shape consumer demand;
- (3) Be able to utilize economic concepts critical to consumer success;
- (4) Be able to analyze current issues and problems, from a broad, multidisciplinary perspective, as they affect the individual consumer, the household as a consuming unit, and society at large;
- (5) Recognize frauds and misrepresentations in the marketplace;
- (6) Be able to examine the roles played by local, state, and federal consumer protection agencies;
- (7) Become aware of the many decisions that are made by governments and others in the name of consumers; and
- (8) Learn the pleasures and pitfalls of working collaboratively.

**Text and Other Reading Materials:**

Mel J. Zelenak and Wendy Reiboldt, Consumer Economics: The Consumer in Our Society (2010), Fifteenth Ed., Holcomb Hathaway Publishers, Scottsdale, AZ.

The following are available on the department's web-site: <http://course.umass.edu/resec162/>

1.Despite Reform, Banks have Room for Risky Deals

<http://www.nytimes.com/2010/08/26/business/economy/26trade.html?ref=business>

2. With Birth Control Pills, New Isn't Always Better

<http://www.npr.org/templates/story/story.php?storyID=129258505>

3. Devalued Homes Anchor Prospective Job Seekers

<http://www.npr.org/templates/story/story.php?storyId=129427659>

4. Outsourced Call Centers Return, To U.S. Homes

<http://www.npr.org/templates/story/story.php?storyId=129406588&ps=cprs>

5. New Kindle Leaves Rivals Farther Back

<http://www.nytimes.com/2010/08/26/technology/personaltech/26pogue.html?ref=business>

6. U.S. Foreclosures Fall, but Delinquencies Rise

<http://www.nytimes.com/2010/08/27/business/27default.html?ref=business>

7. J&J Recalls 2 Hip Replacement Systems

<http://www.nytimes.com/aponline/2010/08/26/business/AP-US-Johnson-Johnson-Recalls.html?ref=business>

8. Wal-Mart Asks Supreme Court to Hear Bias Suit

<http://www.nytimes.com/2010/08/26/business/26walmart.html?ref=business>

9. Bernanke to Offer Outlook as Fed Weighs Bolder Steps

<http://www.nytimes.com/2010/08/26/business/economy/26fed.html?ref=business>

10. Two Egg Brands Added to Recall List

<http://www.cnn.com/2010/HEALTH/08/26/eggs.salmonella/index.html?hpt=T2>

11. Say Goodbye to the McMansion

[http://money.cnn.com/2010/08/26/real\\_estate/the\\_typical\\_homeowner/index.htm](http://money.cnn.com/2010/08/26/real_estate/the_typical_homeowner/index.htm)

12. Be Polite and Put Your Smartphone Down

<http://www.cnn.com/2010/TECH/mobile/08/25/phone.netiquette/index.html?hpt=Sbin>

13. Card Firms Gird for Cut to Late Fees

<http://online.wsj.com/article/SB10001424052748704488404575441973030124064.html?KEYWORDS=cREDIT+CARD>

14. Saying No to Plastic's Fees

<http://online.wsj.com/article/SB10001424052748703649004575437771041610524.html?KEYWORDS=cREDIT+CARD>

15. Savers Pay U.S. Banks to Keep Cash as Rates Dip, Fees Multiply

<http://www.bloomberg.com/news/2010-08-26/savers-pay-u-s-banks-to-keep-their-cash-safe-as-rates-fall-fees-multiply.html>

16. The Crash: What Went Wrong.  
<http://www.washingtonpost.com/wp-srv/business/risk/index.html?hpid=topnews&referrer=emailink>
17. Mortgage crisis spreads past subprime loans.  
<http://www.nytimes.com/2008/02/12/business/12credit.html>
18. Madoff aide reveals details of Ponzi scheme.  
<http://www.gatorsports.com/article/20090812/znyt01/908123010?>
19. Big Run on Ponzi Company (Aug. 4, 1920)  
<http://online.wsj.com/public/resources/documents/WSJ-ponzi-08041920.pdf>
20. Rise of the Super-Rich Hits a Sobering Wall  
<http://www.nytimes.com/2009/08/21/business/economy/21inequality.html?emc=eta1>
21. Savings Rate Surges To 5%, Highest Level Since 1995  
[http://www.huffingtonpost.com/2009/03/02/savings-rate-surges-to-5-\\_n\\_171140.html](http://www.huffingtonpost.com/2009/03/02/savings-rate-surges-to-5-_n_171140.html)
22. The Great Consumer Crash of 2009  
<http://seekingalpha.com/article/90892-the-great-consumer-crash-of-2009>
23. Resolving the Paradox of Thrift  
<http://www.time.com/time/magazine/article/0,9171,1879195,00.html>
24. Race, Ethnicity and the Way We Shop  
[http://findarticles.com/p/articles/mi\\_m4021/is\\_1\\_25/ai\\_96734619/](http://findarticles.com/p/articles/mi_m4021/is_1_25/ai_96734619/)
25. Hispanics Gain Growing Share of U.S. Consumer Spending  
<http://www.america.gov/st/washfileenglish/2006/November/20061030155858berehellek0.6492884.html>
26. U.S. Loses a Trade Case over Japanese Steel Imports  
<http://www.nytimes.com/2009/04/25/business/global/25trade.html>
27. Crematory Case Underlines Gaps in Oversight of Funeral Business  
<http://www.nytimes.com/2002/02/23/us/crematory-case-underlines-gaps-in-oversight-of-funeral-business.html>
28. Lead Sickens 1,300 Children in China  
<http://www.nytimes.com/2009/08/21/world/asia/21china.html?emc=eta1>
29. Mattel issues new massive China toy recall  
<http://www.msnbc.msn.com/id/20254745/>
30. Melamine found in more Chinese-made food products  
<http://www.iht.com/articles/2008/09/26/asia/milk.php>
31. The Debt Trap: Unspoken Link between Credit Cards and Colleges  
<http://www.nytimes.com/2009/01/01/business/01student.html?emc=eta1>

**Class Policies:**

- Class attendance is mandatory. Attendance will be taken and it will be used in determining your final grade.
- The following code of conduct “The respectful classroom” will be used in this class:

### ***The respectful classroom***

We are all responsible for creating a respectful classroom environment. All students have the right to hear the lecture without being interrupted by other students. The professor has the right to teach without disruptions. In order to achieve a respectful learning environment, we will keep the following in mind:

1. We are on time for class. **Class will begin promptly at 9:30 a.m.**
2. We do not pack up to leave before the class is dismissed.
3. **We do not engage in uncivil behavior during the lecture such as talking to classmates, walking out of the class, or working on something else.**
4. We do not use any electronic devices during class time (unless to take class notes).
5. We follow the Academic Honesty Policy. For information, see [http://www.umass.edu/dean\\_students/codeofconduct/](http://www.umass.edu/dean_students/codeofconduct/)
6. We avoid negative language.
7. We will treat each other (fellow students and the professor) with mutual respect.

### ***Course Exams and Assignments:***

The weights making up your final grade will be	<u>% of Final Grade</u>
Three exams♠ (textbook, notes, reserve readings)	60%
Consumer economic issue project♥	25%
Analysis of current consumer news events♦	10%
Summary papers – short paragraphs written in class*	5%
	100%

♠ Make-up exams will be given only if you have a legitimate reason and if you notify me BEFORE THE DAY OF THE EXAM.

♥ Working in groups of 4, you are required to select a consumer economics issue and to provide an in-depth analysis of both sides of this issue.

♦ This includes two presentations per group spread over the semester, weekly discussions on SPARK, and submission of written summary statements. Groups will present current consumer economics news stories **before each lecture** (not on test days). These news stories, with their citations, will be uploaded on SPARK. You are required to hold a discussion on SPARK on the effects and merits of the stories and to submit a weekly synopsis (see pg. 5-6 for due dates) that demonstrates how the various news stories from that particular week tie to appropriate theories and concepts (a total of 10 synopses).

\*There will be summaries written in class throughout the semester. These will be done during the first 5-10 minutes of class. There will be no make-up if you are late or absent.

***Grade Policy:*** Your final grade will be based on the points you have received for the 3 exams, consumer economic issue project, analyses of current consumer news events, and summary papers as a percentage of total points achievable. The following grade percentage cutoff will be used to assign your letter grade: A = 94%, A- = 90%, B+ = 87%, B = 83%, B- = 80%, C+ = 77%, C = 73%, C- = 70%, D+ = 65%, F = < 60%. Class attendance will be considered in the final determination of your letter grade – this will be explained in class.

**Please note: There will not be any extra credit activities.**

### **CLASS SCHEDULE (TENTATIVE)**

<u><b>Date</b></u>	<u><b>Topic</b></u>	<u><b>Reading</b></u>
T, 9/7	The American economic system	Text 1 pp. 2-14
Th, 9/9	The American economic system	Text 1
T, 9/14	The American economic system Consumer demand & seller supply	Text 1 Text 2
Th, 9/16	The American economic system Consumer demand & seller supply	Text 2
T, 9/21	Consumer issues assignment Consumers: leading & following <b>SUMMARY 1 DUE</b>	Text 3
Th, 9/23	Consumers: leading & following Consumer freedoms & restrictions	Text 4
T, 9/28	Consumer freedoms & restrictions Customs & consumption, funeral industry <b>SUMMARY 2 DUE</b>	Text 4, 7
Th, 9/30	Customs & consumption Funeral industry	Text 7
T, 10/5	Funeral industry Impact of advertising on consumers <b>SUMMARY 3 DUE</b>	Text 8
Th, 10/7	Impact of advertising on consumers	Text 8
TUESDAY, 10/12	No class – Monday’s class schedule	
<b>THURSDAY, 10/14</b>	<b>TEST 1</b> <b>SUMMARY 4 DUE</b>	
T, 10/19	Impact of advertising on consumers The marketing & pricing process	Text 8
Th, 10/21	The marketing & pricing process	Text 8
T, 10/26	The marketing & pricing process Consumer credit & debt <b>SUMMARY 5 DUE</b>	Text 11
Th, 10/28	Consumer credit and debt	Text 11
T, 11/2	Consumer credit & debt Consumer decision-making & buying <b>SUMMARY 6 DUE</b>	Text 15

<u>Date</u>	<u>Topic</u>	<u>Reading</u>
Th, 11/4	Consumer credit & debt Consumer decision-making & buying	Text 15
T, 11/9	Consumer fraud History of the consumer movement <b>SUMMARY 7 DUE</b>	Text 5 Text 1, pp. 14-22
<b>WEDNESDAY, 11/10</b>	<b>TEST 2</b>	
THURSDAY, 11/11	No class - Veterans Day	
T, 11/16	Consumer fraud History of the consumer movement	Text 5 Text 1, pp. 14-22
Th, 11/18	History of the consumer movement Consumer laws	Text 16
T, 11/23	History of the consumer movement Consumer laws <b>SUMMARY 8 DUE</b>	Text 16
Th, 11/25	Thanksgiving break	
T, 11/30	Consumer laws Consumer protection: sellers' efforts	Text 16, 17
Th, 12/2	Consumer laws Consumer protection: sellers' efforts <b>SUMMARY 9 DUE</b>	Text 16, 17
T, 12/7	Consumer protection: federal/state gov. Consumer economic issues	Text 18, 19
Th, 12/9	Consumer protection: federal/state gov. Consumer economic issues <b>SUMMARY 10 DUE</b>	Text 18, 19
<b>WEDNESDAY, 12/15</b>	<b>TEST 3 - Thomson 106</b>	