BOOK REVIEWS

Alwitt, Linda F. and Thomas D. Donley, *The Low-Income Consumer: Adjusting the Balance of Exchange,* Thousand Oaks, CA: Sage Publications, 1996, 192 pp., $42.00 ($19.95, paper).[1]

The authors' goals in this book, as set forth in chapter 1, are to identify and describe the poor, describe problems faced by poor consumers in the marketplace, and suggest ways of bringing market exchanges between poor consumers and businesses into better balance. They set their goals and the problems of poor consumers in social context by a brief but perceptive discussion of American social attitudes toward the poor (and toward government assistance to the poor), also comparing American social programs and attitudes with those in other developed countries.

In chapter 3, after reviewing other possible poverty definitions, the authors adopt for their purposes the current official definition of poverty—the poverty thresholds developed by Mollie Orshansky of the Social Security Administration in the mid-1960s and adopted (with some modifications) as the official federal statistical definition of poverty in 1969. In describing the development and adoption of these thresholds, the authors make some errors of detail—a not uncommon feature in secondary accounts of the poverty thresholds. Orshansky did not "assume" or "conjecture" that the average nonfarm family spent one-third of its after-tax money income on food; instead, she drew this fact from a specific 1955 survey. She did not use a "mix of [the Agriculture Department's] low-cost and economy food plans"; she developed two separate sets of thresholds, one based on the low-cost food plan and the other based on the (even cheaper) economy food plan. When the Office of Economic Opportunity adopted one set of her thresholds as its working definition of poverty in 1965, it adopted the set based on the economy food plan—not the somewhat higher set based on the low-cost food plan. (See Orshansky 1965a, 1965b.)

[1]The views expressed in this review are those of the author and do not represent the position of the U.S. Department of Health and Human Services.

In chapter 4, to allay inaccurate public and business stereotypes about the poor, the authors present demographic data about the poverty population both over time and in 1992 (in more detail). They also discuss implications of the use of an annual time frame to determine poverty status. Of the persons in poverty during a given year, a significant portion will no longer be in poverty after a few years; accordingly, the long-term purchasing power of some segments of the (annually defined) poor would be greater than suggested by generalized stereotypes about "the poor."

In chapter 5, the authors present summary consumption data about low-income groups. They analyze food expenditure data to find that low-income households spent proportionately less than the average household on convenience foods and snack foods and proportionately more on ingredient items (to prepare foods from scratch) and filling foods. This analysis would have been more useful if the authors had used the official poverty definition instead of simply looking at all households with annual incomes below $10,000, regardless of household size. Reviewing "sin" products, they report that low-income people gamble less than higher-income people, consume about the same or less alcoholic beverages ("[w]ith the exception of malt liquor") than other households, but are more likely to smoke cigarettes. They further report that marketers target low-income and minority consumers for certain alcoholic beverages and cigarette brands and disproportionately concentrate alcohol and tobacco billboard advertising in low-income neighborhoods.

In chapter 6, the authors review financial management and money-saving techniques of poor consumers. They note that with the deregulation of financial services during the 1980s, banks raised their fees, often imposed minimum balance requirements, and closed unprofitable branches—many of them in poorer neighborhoods. Thus, this deregulation made banking costlier or more inconvenient for a number of low-income consumers. They cited data showing that low-income consumers use banks and other "mainstream" financial management systems much less than do the general population, while using costlier but more convenient check cashing outlets more frequently.

In chapter 8, the authors discuss price discrimination and retail markets in poor areas (noting that not all poor consumers live in poor areas). They cite studies showing that consumers in poor neighborhoods pay higher prices for food, services, and durable goods. However, they point out that to the extent that businesses in poor neighborhoods have higher business costs and pass those costs on to consumers, the resulting higher prices do not constitute price **discrimination.** In addition to these monetary costs, they also note indirect and nonmonetary costs that poor consumers face when they must shop outside their neighborhoods—for example, travel time and costs and disdainful treatment of food stamp users. They discuss the exodus of retail outlets from inner cities in recent decades, while including a section giving pointers on how retail businesses can succeed in inner-city neighborhoods. They also present an analysis of the distribution of retail outlets among the poorest zip codes and other zip codes in Chicago (also see Alwitt and Donley 1997). They find a number of statistically significant differences: poor zip codes have more small grocery stores, small liquor stores, and small drugstores, but fewer large grocery stores, supermarkets, drinking establishments, large drugstores, and banks. (The imbalance in large grocery stores, supermarkets, drinking establishments, and banks disappears after adjustment for aggregate zip code income.)

In chapter 9, the authors summarize their findings, concluding that "Exchange in the current marketplace is tilted against poor consumers" (167). They discuss both general approaches and specific recommendations for balancing the marketplace exchange more in favor of poor consumers. They include specific recommendations: poor consumers could organize themselves into small buying groups; marketers should correct their misperceptions and get a better knowledge of the characteristics and needs of poor consumers; marketers should consider the conditions under which poor consumers can be ethically treated as a unique market segment; businesses could offer products and services—for example, inexpensive "no-frills" products—that would better serve the needs of poor consumers; and businesses could profitably locate retail stores in poor neighborhoods. They recognize that these proposals will not solve all the problems of poor consumers, but believe that they will ease the predicaments of poor consumers, businesses selling to the poor, and society as a whole.

From the viewpoint of a government policy analyst concerned with the poor, this book is an interesting and rather novel one. One is accustomed to seeing books which deal with the demography of the poor, aspects of the transfer system, and interactions between public policy and the poor. However, this book focuses instead on the poor as consumers. It contains brief but useful tabulations and analyses of data relating to the consumption of the poor, as well as a number of citations to introduce one to a consumer-relevant literature that may not be familiar to a number of readers. The authors do a good job of covering a number of topics relevant to the general subject of the poor as consumers; if a reader finds her/himself wishing for more detail on some of these topics, it is probably inevitable in an overview which cannot be of unlimited length.

The authors present good analyses of a number of problems faced by poor consumers to support their conclusion that current marketplace exchanges are tilted against the poor. A few of their recommendations for solutions are somewhat less impressive. One of the general approaches to solutions that they discuss is to "enhance" the "perception of self-efficacy by poor consumers"; others might suggest the approach of improving the actual position of poor consumers in previously unbalanced market exchanges, and then letting this objective improvement lead to an improvement in subjective self-perceptions. In discussing specific recommendations for better balancing marketplace exchanges, the authors indicate that they give highest priority to solutions relying on "self-reliance by poor consumers to solve their own problems with limited help of social service providers and possibly the government" (166). Given the relative strengths of poor consumers and the business sector, it is possible that involving additional sectors of society might be more likely to bring about more successful solutions.

The authors indicate that the book is aimed at "marketers, economists, social service workers, and public policymakers involved with poverty. . . ." They try to appeal to the self-interest of marketers by pointing out that more accurate information about the poor may result in more rational business decisions, and that poor consumers may represent an untapped domestic market segment for business expansion when more affluent consumer market segments are already saturated. The information in the book would seem to be particularly useful to neighborhood groups and organizations in poor areas, other consumer-oriented groups concerned about problems of the poor, and state and federal agencies that regulate retail businesses (to the extent that these agencies are not already familiar with problems specific to poor consumers).

REFERENCES

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Apple, Rima D., *Vitamania: Vitamins in American Culture,* New Brunswick, NJ: Rutgers University Press, 1996, 245 pp., $48.00 ($18.95, paper).

This book is less about vitamins than about the culture and politics of diet and health. It examines the behavior of consumers in a society which values individual freedom above everything. The book's central question is why Americans' love affair with vitamin supplements has endured for nearly a century despite fierce disagreements among scientists about their efficacy. To address that question, the author develops the history of vitamin supplements starting with the coining of the word "vitamins" in 1912. She traces the development of vitamin supplements as an elixir to consumers, a threat to the medical profession, a regulatory nightmare, and an explosive growth industry. Stories about early patents by university professors, tales about advertising and labeling, and accounts of recent Congressional restraints on the Food and Drug Administration (FDA) are included. The story of vitamin supplements underscores the love-hate relationship Americans have with scientific discoveries and questions whether and how to regulate their practical applications.

The author concludes that consumers who faithfully defend vitamin supplements generally believe scientific information widely disseminated by the mass media. Since the early 1900s, vitamins were known to cure or prevent specific diseases like beriberi and scurvy. Later the media reported that many Americans did not regularly eat enough of the right kinds of food. Therefore, these individuals were likely to have vitamin deficiencies, and it seemed logical and prudent