

"Summary of article by Alladi Venkatesh: Changing Consumption Patterns" in <u>Frontier Issues in Economic Thought, Volume 2: The</u> <u>Consumer Society</u>. Island Press: Washington DC, 1997. pp. 73-75

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This article uses Orange County, an affluent county in southern California, as a case study of an area whose consumption patterns, credit dependency, diverse shopping environments, changing family patterns, and extensive use of information technologies typify current trends in consumer culture.

Many of the suburbs that once beckoned white, middle-class families to their sleepy, parochial neighborhoods in the 1950s are undergoing radical social and economic change. Unlike the suburbia of old, post-suburban areas mix different classes, races, industry, residential spaces, specialized services, and cultural activity. Consumerism is important to this transformation, especially in Orange County, where the prevalence of dual income, well-educated families, the proliferation of retail outlets, and readily accessible credit all contribute to a higher valuation of consumerist lifestyles.

THE ROOTS OF AN AFFLUENT SETTLEMENT CULTURE

Since World War II, migration to Orange County has led to cultural diversity, multilingualism and economic stratification. Its diverse residents, however, share an openness to experimental consumption and a freedom from consumer traditions. Orange County's consumer culture is suggested both by its levels of affluence and the values of its citizens. As the sixteenth largest metropolitan area in the country, with a population of 2 million, its median annual family income of \$43,000 in 1988 was the highest among the 20 most populated metropolitan regions. Orange County supports a significant market for retail trade, as well as for expensive, imported automobiles. The median price of a single-family home reached almost \$250,000, one of the highest in the country.

Orange County's wealth resides more in its high consumption levels than in its civic concerns. Although its average income level is one of the highest in the country, 11% of its total population is at or below the poverty line. Many single parent families and poor immigrants account for the fact that 35% of all households earn less than \$25,000 annually. For the affluent majority, though, Orange County typifies a consumer region in the following respects:

(1) The culture values consumption as a social accomplishment. (2) There are high levels and much distribution (as opposed to concentration) of wealth, which translates into buying power. (3) There is a nonhomogeneous marketplace, which results in highly differentiated consumer choice patterns. (4) There are high

levels of education, which allow for market sophistication, market experimentation, and market innovation. (148-149)

EFFECTS OF POSTSUBURBAN TRANSFORMATION

The opportunity to consume permeates every aspect of life in Orange County, and few choose to ignore the chance to indulge since consuming less could lead to social marginalization. Although the proliferation of shopping environments has set the stage for diverse consumption patterns, all are organized around the idea that consumption is entertainment, that shopping is a spectacle. Much of Orange County's affluent consumption is devoted simultaneously to entertainment and to the provision of social identity.

Orange County is fully serviced by shopping environments that can be found all over the United States, including neighborhood shopping centers, shopping malls, swap meets, and consumer warehouses. The "shopping experience" offers consumers adventure, novelty, and fantasy as well as a sense of community membership. Shopping malls have become tourist destinations, fantasy lands even for those who cannot afford many of the high-priced goods on sale there. Shopping has thus become less about choosing goods than about having certain experiences. Alternatively, swap meets offer personalized interactions and a market setting in which buyers can barter on their own terms, while consumer warehouses provide exclusive membership to consumers as they choose among low-priced goods.

Much of Orange County's affluence is due to the prevalence of dual income families. Increasing levels of discretionary household income have followed women's increased labor participation and left many families with non-traditional, time-constrained spending patterns and consumption routines. Women's increased labor participation has affected "standards of living, shopping habits, types of products and services consumed, the use and quality of family time, and child rearing." (154) An increase in dining out is but one significant example of the new dual-income household consumption patterns. Another change is the increased participation of children in the household has been ceded to children and to external market forces. Marketers now recognize the decisive influence children have in many household consumption decisions and target them as the audience for many advertisements.

Affluent residents of Orange County have a great deal of buying power, which is extended by the widespread use and availability of credit. Orange County has a reputation for being one of the most credit-dependent regions in the country. Its average resident possesses over three department-store credit cards. Households earning over \$15,000 a year "receive an average of four credit card solicitations a month – three times the national average."¹ In the United States, installment debt as a percentage of annual income rose from 2 percent in 1945 to 18 percent in 1985. While much of this change is accounted for by the rising costs of home mortgages, credit-card purchases are the fastest growing aspect of this change. Orange County's heavy use of credit suggests that it is one of the leaders of a national trend toward greater credit dependency.

High levels of credit can lead to financial problems during economic downturns. But even in good years, increasing reliance on credit and the technology that serves it degrades an

individual's right to privacy. Credit histories which should be private become publicly accessible, while it becomes impossible to function in a consumer economy without credit. "Without credit, the individual cannot participate in the consumer economy; with credit, he or she cannot escape it." (160) Whether this dilemma is a mere by-product of capitalism, an inevitability, or a chosen alternative, it is unlikely that Orange County's consumption patterns, tied so strongly to credit as well as to status and diminished privacy, represent a model for other regions to follow.

Notes

^{1.} S. Boyd, "Credit Overload," Orange Coast 15(8) (August, 1989): 122-123; cited by Venkatesh, 160.