

Adapting Western Financial Education And Counseling Models For Use In South Korea

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The recent economic crisis in Asia offers western financial professionals the opportunity to share expertise developed over many decades. Using South Korea as an example, this position paper describes how declining purchasing power and employment dislocation affect families. With appropriate modifications consistent with cultural traditions, a western model of financial education and counseling can be adapted to enable Korean consumer and family economics professionals to assist families in coping with the continuing aftermath of the crisis. Cross-cultural collaboration between Western and Korean professionals can facilitate culturally appropriate adaptations of western programs.

Key words: Economic adjustment strategies, Economic stress, Financial counseling, Financial education, Financial planning

Markets crashed in a matter of days. Businesses were bankrupt in the stroke of a few hours. People adapted to living fairly comfortable lives were destitute within minutes. After three decades of remarkable expansion, East Asia has gone into a tailspin. Everyone seems to be asking whether the "miracle" was actually real. The once booming economies of Thailand, Korea, Indonesia, and Malaysia have drastically declined (World Bank, 1998).

Consumers throughout East Asia are continuing to experience personal financial stress as a result of the 1997-99 economic crisis. Although many of the affected countries have nominally recovered from the initial crisis, national economies are undergoing major restructuring in trade, employment, and currency valuation which continue to affect family finances. Government, business, and industry initiated many changes to support their national economies during the crisis; only recently has attention focused on the impact of macroeconomic policies on individuals and families in their roles as consumers. East Asia includes many countries with very diverse economies. Along with Japan, South Korea is the most urbanized, most industrialized and wealthiest country in the region (Atinc, 2000). Thus, Korea was chosen to represent the impact of the crisis on consumers because its developed economy is able to assimilate and benefit from western style financial education and counseling.

To help alleviate the impact of the crisis, the International Monetary Fund (IMF) lent South Korea \$58 billion, and in return, imposed strict economic guidelines and currency controls. Families who had grown used to 10% annual income increases experienced a rapid and dramatic decline in purchasing power; at the same time, lifetime employment for industrial and white collar workers evaporated. For most of these families there was nowhere to turn for help since their friends and relatives were experiencing the same economic upheaval and government social programs were inadequate to meet the demand.

Background and Purpose

Once a poor, agrarian nation, Korea experienced rapid economic growth and social change. The transition from an undeveloped rural economy to a developed nation occurred within one generation. The population shifted from less than 30% urban in 1960 to more than 80% urban in 1995 (Atinc, 2000). Annual income rose from \$79 in 1960 to a peak of \$10,000 in 1995; Korea's average annual gross domestic product (GDP) growth rate for 1960-1997 was over 8% (Korean National Statistical Office [KNSO], 1997). As the country of 46 million people transformed itself from a rural economy to an international industrial power, family income and consumption rose rapidly along with the use of consumer credit. Prior to the economic crisis, most white collar and industrial workers were assured lifetime employment.

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With appropriate modifications consistent with cultural traditions, western models of financial education and counseling can be adapted for other countries. This article will use South Korea (hereinafter Korea) as an example to propose adoption of selected western-style programs of financial education and counseling in a culturally acceptable manner. Beginning with a description of the impact of the economic crisis on South Koreans, this paper addresses how Korean consumer and family economics educators and counselors can assist families in coping with the economic dislocation resulting from the crisis and the on-going restructuring of the economy. Opportunities abound for western professionals to take job leaves to work for short periods with colleagues in Korea and other Asian countries. Such collaborations can be personally and professionally rewarding and stimulating (Canabal, 1999; Geistfeld, Song & Kim, 1999; Park & Geistfeld, 1998).

Economic Crisis in Korea

During the depths of the crisis in 1998, per capita GDP declined from \$10,000 to \$6,600 and the GDP growth was a negative 5.9% ("Projected GDP," 1998). Household income decreased by 5.3%. During 1998 consumer expenditures decreased by 19.7% in real terms. The South Korean currency (the won) lost 60% of its purchasing power from mid-1997 to mid-1998 while the stock market fell by 50% (KNSO Statistical Office, December, 1998).

In 1998 the official unemployment rate was 7%, (KNSO, December 1998), twice the rate of a year earlier, but corporate economists estimated that the real rate was closer to 15% (Knight-Ridder, 1998a). The government counts only the loss of full-time jobs so part-time workers, the self-employed and informal workers are not included in official statistics. Layoffs were legalized for the first time in February 1998 (Knight-Ridder, 1998a).

In 1998 about two million Koreans were unemployed (Bremner & Ihlwan, 1998) and an unknown number were underemployed. When worker's dependents are considered, about 9 million people out of a total population of 46 million experienced the financial hardships and personal trauma of unemployment (Bremner & Ihlwan, 1998). Although an unemployment insurance program was launched in July 1995, it has not been adequately funded and benefits only full-time workers at large firms for a maximum of four months (Bremner & Ihlwan, 1998). In order to cope with the soaring number of unemployed, the government approved universal jobless benefits in 1999 ("In order to

help," 1998). Due to continued corporate restructuring the number of unemployed and underemployed is likely to increase. New legislation allowing companies to lay off workers adds to the uncertainty for Korean families.

To summarize the macroeconomic conditions in Korea at the height of the crisis, the economy was in retrenchment, banks failed, corporations and financial institutions implemented across-the-board restructuring, and tax revenues decreased. In all of East Asia, the Korean domestic labor force was among the hardest hit (Atinc, 2000).

Social Problems

Korea's economic problems have been accompanied by an increase in social instability. The unprecedented level of unemployment has serious implications for Korean society as evidenced by the increase in crime, frauds, suicides, and divorces (Samsung Economic Research Institute [SERI], 1998). Koreans are experiencing homelessness for the first time since the Korean War, the incidence of abandoned children is rising sharply (Schuman, 1998), while the number of divorces rose from a monthly average of 6,000 in 1997 to 10,000 in 1998 (SERI, 1998). Increasing numbers of couples are seeking marital counseling ("Calls seeking," 1998) and the suicide rate is up 36% (Bremner & Ihlwan, 1998).

If judged by Western standards, the Korean government offers a weak social safety net because historically, needy persons relied on their extended family for assistance (World Bank, 1998). However, the traditional safety net of the family has been overwhelmed by the large numbers of unemployed and the greatly increased cost of living due to the devaluation of the won.

Family Economic Impacts

During the crisis Koreans were faced with very sudden and dramatic price increases for everyday products as the real purchasing power of the won declined. Real family income declined for the first time since the Korean War ("Household income," 1998; "Laborers' real income," 1998).

While many businesses have defaulted on commercial loans; personal bankruptcies are occurring for the first time in Korean history. In March 1998 individuals with severe credit problems constituted 10.7% of total credit users, a 12% increase from October 1997 (SERI, 1998). Economists at the Federation of Korean Industries (FKI) report a significant increase in consumer lending from 3.4 trillion won in 1992 to 8.9 trillion in 1999 (SERI,

1998).

Another impact of the economic restructuring and new tax policies is the widening of the gap between the rich and the poor in a country that was relatively equalitarian (SERI, 1998). The gulf between the upper and the lower classes has widened, squeezing the middle class. According to the Federation of Korean Industries (FKI), the economic recovery has not benefitted low income households, resulting in increasingly polarized income classes. FKI estimates that 140,000 former middle class families (6% of the population) have slid into the low-income category as a result of the crisis (SERI, 1998).

Many of the wealthy have prospered under the austerity program due to high interest rates on savings and rental deposits they hold on properties they own (Knight-Ridder, 1998b). High inflation, stock price declines, and diminished real estate values have resulted in lower family asset values. While poverty rates increased throughout Asia, Korea was particularly hard hit; urban poverty increased from 7.5% to 23% at the height of the crisis (Atinc, 2000).

Wedding plans were put on hold for many couples as prospective grooms lost their jobs or were forced to work long hours to cover the workload of laid-off employees. Lavish weddings are common in South Korea where the average cost prior to the crisis was \$48,000 (Watts, 1998).

The number of economically active women has continued to decline since the start of the economic crisis. Women workers were laid off more quickly than men (Korean National Statistics Office, 1998). Nearly three-fourths of those who suffered reduced employment were women. Many women workers have been shifted from the formal wage sector to the informal sector, being subsequently rehired to work on temporary contracts with reduced or no benefits (Atinc, 2000).

Despite the rapid changes of the past two years, much restructuring is needed and economic reforms are incomplete; many of the chaebols are more indebted than originally thought due to irregular accounting practices (Schuman, 2000). Slower economic growth is expected for the near future. Although the economy hit bottom in 1998 and recovered relatively quickly in 1999, tougher reforms are needed that are likely to ripple through the economy and compound the financial shocks already sustained by consumers. The won has stabilized at about

1200 to the dollar, far below the 1997 high of 843 (Schuman, 1999).

Due to the severe economic stresses Korean families have suffered since 1997, and the expectation that the economy is not going to recover to the pre-crisis boom times, coupled with the lack of a financial education and counseling infrastructure, Korea is ripe for adapting successful western programs to suit their unique culture. This situation offers western financial professionals the opportunity to partner with their Korean colleagues to share their expertise and help Koreans develop programs to assist families with building a more secure financial future. Participating in such a partnership can be professionally and personally rewarding.

Financial Education and Counseling in Korea

In one generation Korea transformed itself into an economic powerhouse but its consumer information, education and counseling structures have not kept pace with consumer needs. The recent crisis provides the impetus and opportunity for improving existing programs and introducing new ones. This section will review existing programs and propose ways in which western professionals can team with Koreans to develop relevant programs to assist Korean consumers.

According to Park and Geistfeld (1998), home economics, or consumer science, has a much shorter history in Korea compared to the United States but the trends are similar. Like their American counterparts, Korean home economics programs are changing their names and revising their curricula to attract more students. Close to 10% of female college students graduate from home economics/consumer sciences programs so Korea does not lack for trained professionals. With more than 4,000 university graduates and 3,600 junior college graduates each year (Park & Geistfeld, 1998), there are plenty of qualified potential educators, counselors, and researchers to address the needs resulting from the crisis and economic restructuring. The new economic austerity provides an opportunity to evaluate the relevance of the consumer science curriculum and promote employment opportunities for graduates. Virtually all western university educators have participated in curriculum self-assessments and could assist Korean colleagues in conducting a thorough program assessment and revision.

As part of a self-assessment the Korean Society of Consumer Studies (KSCS) should survey university graduates to determine their current employment status

and sponsor a symposium on how KSCS members are helping families cope with financial management in an uncertain economy. Sponsorship and participation should be solicited from government and industry leaders as these decision makers are targeted for hiring consumer science graduates.

Accredited Financial Planner Program

The skills of family and consumer science graduates are needed more than ever to help workers cope with financial stress and make wise consumer and investment decisions. Employees being laid off need and deserve financial counseling, while those who remain can benefit from financial advice on coping with reduced income and planning for the future. The Korean Society of Consumer Studies launched an Accredited Financial Planner (AFP) program in 1997 (Yoon & Sohn, 1998). Although the program is in its infancy, the recent economic events provide an unprecedented opportunity for marketing and growth. Like in the United States, anyone in Korea can present themselves as a financial planner. Graduates of the new Accredited Financial Planner program (Yoon & Sohn, 1998) can capitalize on the economic turmoil to promote the new AFP designation and their services. Middle class Koreans who never considered consulting a financial planner in the past should be targeted by a marketing campaign. Western planners could serve as consultants to the fledgling organization to assist in developing marketing and continuing education programs for Korean AFPs.

Consumer Advisor Certification

In a comparison of U.S. and Korean business consumer affairs programs Geistfeld, Song, and Kim (1999) provide an historical perspective for understanding the differences in the development and implementation of programs in the two countries. Understanding such differences is critical to adjusting and implementing effective programs that are transplanted from overseas. A Consumer Advisor professional designation and Certification process was recently initiated in Korea (Lee, Kim & Song, 1998). Consumer Advisors fulfill three roles: provide counseling and education, serve as consumer consultants to businesses, and help resolve consumer problems and complaints (Lee et al., 1998). In order to become a Consumer Advisor a person must have a university degree, pass required courses, complete a 40 hour internship, and be approved by the Consumer Education Committee of the Korean Society of Consumer Studies (Lee, et al., 1998). As Korean businesses encounter consumer dissatisfaction with their products and services, consumer difficulties in repaying

debt, and reduced purchasing power, members of the Korean Society of Consumer Studies should use this opportunity to promote their services and expertise to the business community as liaison with their customers. In addition, Consumer Advisors should emphasize the potential benefits to corporations of hiring them to provide financial education and counseling to their employees.

Consumer Protection

The Korean Consumer Protection Board [KCPB], established in 1987, is dedicated to protecting consumer rights, promoting rational consumption, and contributing to a sound economy. Its main functions include settling consumer complaints, product testing, providing safety information, ensuring fair trade, consumer protection research, education and public relations relating to consumer protection, and encouraging consumer participation (www.cpb.or.kr).

The KCPB has been active in an inquiry of problems with "debt repayment guaranteeing" (a process similar to co-signing a loan). The number of consumers defaulting on loans increased dramatically as a result of the economic crisis; apparently many of them were victimized by debt repayment guarantee services ("Problems of debt repayment," 1999).

The combination of the economic crisis and the growing consumer protection movement are working together to improve the conditions for consumers in Korea. Now consumer professionals need to encourage the expansion of these efforts to include the financial services arena. Consultation with western professionals with appropriate expertise could promote a cross-cultural exchange of ideas, programs, marketing and financing strategies.

Unique Korean Financial Arrangements

Using the 1993 Korean Household Panel Study, Hong and Kim (1998) studied participation in *Gye* which are financial clubs with a social element dating back thousands of years. *Gye* members contribute funds, typically on a monthly basis, to a pool to accumulate large sums for children's education and weddings, travel or the purchase of major appliances. Members typically share a common connection through family, neighborhood, employment or school background. When a member's turn comes, they are entitled to use the accumulated funds. A concern with *Gye* is that there is no protection if a member absconds with the funds (Hong & Kim, 1998). Despite their origination in rural society, current *Gye* participants tend to be under 35, urban,

married, higher income, and more educated than Koreans as a whole (Hong & Kim, 1998).

Since the rapid development of financial markets in Korea beginning in the late 1980s, the use of Gye has decreased substantially. As of 1993, one-fifth of the population continue to participate in Gye (Hong & Kim, 1998). In the 1990s Gye were no longer as popular a method of saving and borrowing but a social tradition; perhaps the current economic crisis will rekindle interest. One idea for research is to study if and how Gye participation was affected by the economic crisis; another question is whether Gye funds are deposited in savings accounts, invested in securities or kept under the proverbial mattress. Hong and Kim (1998) suggested that Gye members are a potential target market for financial education. However, one issue is how to reach Gye members; they never advertise their Gye clubs and membership is limited to friends and relatives. While it might be difficult for a financial professional unknown to Gye members to offer education via these clubs, informal networks could be utilized to make contacts. If American researchers can collect data from persons who are HIV positive, Gye clubs can't be any more difficult to study. Based on the demographic profile of Gye members (Hong & Kim, 1998), university students could make contacts through their family and neighborhood connections to study how Gye clubs invest their funds and offer recommendations on suitable investments and club structures, similar to investment clubs in the U.S.

Another uniquely Korean institution is the *Sachae* which provides a source of high interest loans for consumers who cannot qualify for credit through conventional channels (Yang & Hong, 1998). *Sachae* represent the dark side of financial markets in Korea. Like the "Alternative Financial Sector" in the United States, one "advantage" is that as long as one accepts higher interest rates, consumers can borrow as much money as they want. Since *Sachae* may involve some illegal practices, research with participants may be very challenging but, similar to HIV and Alternative Financial Sector studies in the west, is certainly possible. Such research could provide a springboard for public discussion, media attention and education of clients about alternative borrowing arrangements. While both Gye and *Sachae* are unregulated and risky, these traditional sources represent approximately 13% of total financial assets for urban Korean families (Yang & Hong, 1998), thus making them worthy of research.

Using the Korean Household Panel Study, Yang and

Hong (1998) found that indebted households were more likely than non-indebted households to participate in Gye and *Sachae*. The researchers suggest that Gye and *Sachae* participants need to be educated about investment risk. These consumers are a potential market for Accredited Financial Planners and Consumer Advisors.

Counselors and educators in the United States know the frustrations of trying to attract a client base for programs. Having a ready made target group eliminates the challenge of generating an audience. Gye participants represent a potential target audience for educational workshops. While initially it may be difficult to identify and market to these clubs, Korean consumer educators can promote their expertise in helping consumers manage their finances in a time of economic stress.

Western Programs Adaptable to Korea

One highly successful model for adult consumer education that could be adapted from the American experience is the Cooperative Extension Service (CES). CES is a partnership that is jointly funded by the federal, state and county governments. Extension agents teach adult education workshops, publish newsletters and newspaper articles, and appear on TV and radio programs to educate adults about consumer topics. Many CES publications are available on the Internet, a tool for reaching large numbers of consumers cheaply and efficiently. Most states have a Family Resource Management Extension specialist at the land grant university who conducts research and disseminates results and develops educational programs for county agents who provide adult education. Some Extension offices provide financial counseling, sometimes using trained volunteers. Korean educators should visit the United States to learn how the Cooperative Extension Service operates and its funding mechanism and then American Extension experts could visit Korea periodically to supervise and support efforts to adopt a similar model of adult education. One advantage for consumer educators in Korea is the extremely strong emphasis that families place on education (Ju & Lown, 1997; Kim, Hanna & Yuh, 1999; Park & Yeo, 1999).

Personal Finance Employee Education

Garman (1997) advocates a model of employee financial education whereby employers take responsibility for educating their workers about personal finances, investing and retirement planning (<http://www.chre.vt.edu/pfee/>). Despite the decrease in lifetime guaranteed employment, Korean workers are much more likely than Americans to work for a single

employer during their lifetime. Due to this traditional attachment, employer-sponsored financial education seems ideally suited for Korea. Successful employee financial education programs in the U.S. could serve as models to convince business leaders to hire Consumer Science graduates, Consumer Advisors and Accredited Financial Planners to provide education and counseling for their workers. One research opportunity is to do a pre- and post-test experimental design study of workers before and after receiving financial education in the workplace.

Credit Counseling

Credit or debt counseling is another western institution that could be adapted for Korea where financial counseling services are not readily available. The Consumer Credit Counseling Service (CCCS) is the best known of the many organizations that provide credit counseling and credit education. Initial consultations are free with a modest charge for participating in an on-going debt management plan (DMP). In order to be eligible for a DMP the consumer must agree to stop using credit. The main benefit to the debtor is that the counselor can intervene with creditors to negotiate lower interest rates and eliminate or reduce late fees and other penalties. The counselor helps the debtor develop a budget and determine how much can be devoted to debt repayment. In a DMP the debtor pays CCCS each month and the funds are dispersed to the creditors. Funding for CCCS comes from the businesses in the community which benefit from repayments they would not receive if the debtor defaulted. In addition to the long-term track record of CCCS, an advantage of this model is the reciprocal benefits for businesses and consumers which generate business funding and support. A pilot demonstration project could be initiated under the auspices of the Korean Consumer Protection Board or the Korean Society of Consumer Studies in conjunction with the new Consumer Advisor program. Furthermore, banks have an incentive to hire financial counselors to reduce the default rate on consumer loans.

Debt Relief Through Consumer Bankruptcy

While the U.S. has offered consumers the option of personal bankruptcy for more than a century, the concept of consumer bankruptcy is new to Korea. Currently American debtors can file a Chapter 7 bankruptcy that absolves them of their unsecured debt or a Chapter 13 plan to pay back some or all of the debts over a three-five year period. In the first half of 1998, 50 Koreans applied to the court for bankruptcy protection. While these numbers are small by American and Canadian standards,

only one personal bankruptcy was filed in Korea in 1996 and nine in 1997. Predictions are that as many as 25% of workers have debts severe enough to contemplate personal bankruptcy ("One in four," 1998).

Despite the economic recovery that began in 1999, by mid 2000 a slumping economy and stock market meant that increasing numbers of consumers are unable to repay loans and credit card bills while the average number of bankruptcy cases has risen to 27 per month (Kim, 2000). Often there is a lag between economic distress and the date of bankruptcy filing so the number of cases is likely to continue to increase. Some of the research and information from the United States bankruptcy experience would benefit Korean professionals who deal with families in debt and are crafting Korea's new consumer bankruptcy legislation and procedures.

New Directions for Korean Financial Professionals

Both government and businesses have a vested interest in ensuring economic stability and security of the populace. At a time when enrollment in Korean home management programs is declining (Park & Geistfeld, 1998), the family and societal problems they are trained to address are increasing. Consumer Science graduates should use statistics readily available in Korean newspapers and through government agencies to convince potential employers in business and government that their skills are needed more than ever. Now is the time for pursuing government and business sponsored programs to help Koreans adapt to the changing economy. The economic future will not be as secure for citizens as the previous two decades. While the initial crisis is over, there is little likelihood of a quick return to the prosperity of the past (Atinc, 2000; Schuman, 2000). Helping families adjust to reduced expectations and adapt to a changing economy is an area in which western professionals have considerable expertise that can be shared with Korean colleagues. Government and business leaders have a vested interest in avoiding widespread worker unrest; consumer science graduates have the expertise to develop programs to alleviate some of the family financial stresses.

The environment for personal finance in Korea differs from that in the United States where there is a plethora of easily accessible information on investing and managing personal finances. Such information has not been readily available to Korean consumers (Yang & Hong, 1998). As a result of this lack of information and dependence on advice from friends and family, many Koreans experienced financial losses even prior to the current

economic upheaval (Yang & Hong, 1998). This situation, in conjunction with the aftermath of the economic crisis, argues for an increased role for personal finance and consumer education for Koreans.

Who will provide and pay for this education? Although it is difficult to generate funds for new projects during times of austerity, now that the immediate crisis is past, planning for the long term transition to a less secure economic environment and lower growth suggests the need for creative cooperative programs. The government and large businesses, especially the chaebols that employ a large part of the workforce, should help finance these efforts. Westerners with policy expertise and experience lobbying state and federal governments can provide guidance for Korean consumer professional associations. While the government should provide consumer education and counseling as a service to citizens and as a means to solidify support for the new economic policies, this may be a hard sell since politicians and other government leaders are likely preoccupied with the aftermath of the crisis and continuing pressure from the IMF and the World Bank for restructuring the chaebols. One argument in favor of government funding is that an economically prosperous citizenry is essential for government stability. Korea has a history of violent and protracted student and worker protests (Bremner and Ilwan, 1998). Korean workers became even more militant during the crisis (Ihlwan, 1998).

Recommendations for Cross Cultural Cooperation and Research

This paper suggests how Korean and western consumer professionals can team up to address some of the needs of families resulting from the economic crisis and restructuring by adapting programs from abroad. The recommendations discussed above can be implemented in Korea and other economically developed countries by the growing ranks of consumer professionals. The following suggestions for international collaboration are offered to expand consumer financial services to alleviate the continuing stress resulting from the economic restructuring.

Professional associations and universities in the west could establish an exchange system with educators, advisors and policy makers in Korea. A natural avenue for such a program is facilitating visiting professors and cross cultural and educational exchanges. A faculty exchange program between India and the United States (Canabal, 1999) illustrates the benefits that accrue to both the host country and the western professionals who

participate in a cross cultural exchange. Financial counselors, planners and educators in the West can provide training for their Korean counterparts who can then adapt this information for use in their culture.

The World Bank (1998) compared the impact of the East Asian economic crisis to that of the Great Depression of the 1930s in the U.S. and Europe. Certainly the need and opportunities for consumer research have never been more clear; the problems described in this paper are ripe for study. Korean researchers need to encourage the KNSO to collect more detailed and reliable statistics more frequently. An obvious research question is: How did families cope with the crisis? Large surveys and smaller qualitative studies can provide insight into how consumers are adjusting to the new economic environment. Another area of investigation for both the east and the west is to determine the most effective methods for attracting consumers to come for financial counseling before they reach a crisis stage.

Looking beyond the obvious consumer and personal finance topics, the tax system presents opportunities for research to improve public policies. The current Korean tax system is regressive and places the greatest burden on the lower and middle classes ("Serious lacking tax revenue," 1998). During 1998 the government reduced taxes to encourage spending to bring the economy out of its tailspin ("Interest income tax," 1998). What is the long term impact of these tax changes? What is the impact of employment changes and new government policies on women and children? Atinc (2000) points to the paucity of research on the rapidly aging Korean population. How did the elderly fare during the crisis and what is the future for the rapidly aging population?

Kim and Geistfeld (1999) provide perspective on what this rapid growth from a poorly educated agrarian society to a world leader in economic growth and output means for many older, poorly educated Korean consumers. While Koreans highly value education as a path to personal, social and economic success and spend heavily on children's education (Park & Yeo, 1999), many older Koreans do not have the educational skills to operate effectively in the marketplace (Kim & Geistfeld, 1999). What is the most effective way to ensure protection for seniors?

Organized professional associations like the Korean Society of Consumer Studies need to work with existing government agencies including the Korean Consumer Protection Board to develop research-based public

policies that benefit Korean consumers. Reduction in consumer fraud and regulation of the financial services industry are needed to encourage families to save and invest to provide for future financial security and to provide investment capital for economic growth.

Asian scholars and researchers from the Western, industrialized nations that have a longer history of consumer education and credit counseling should collaborate on a regular basis in research and symposiums. The Asian Consumer and Family Economics Association (<http://www.fcs.utah.edu/acfea>) biannual meetings in Asia facilitate such collaboration. It is the responsibility of scholars in the wealthier nations to provide opportunities for cross cultural exchanges. American universities can offer sabbatical replacement teaching and research positions to scholars from Asian nations who are beginning to address many of the consumer and family economic issues we have wrestled with for decades in the West. While this paper has focused on South Korea, many of the strategies described can be adapted to work in other countries, as well.

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