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Abstract

Accounts of the crisis have been constantly experimented with innovation at a home state-subsidized long-term savings-and-loans to instant mortgages, to problems with demonstrating the qualities of financial products, even ostensibly prudent ones. Drawing on concepts of scientific demonstration and proof, I compare how financial advisors explained the plan to consumers before and after it was combined with mortgages: first they drew the funds by hand, later they adopted software-generated scenarios. I suggest that as sellers perform products interactively with clients, consumers' needs appear. Thus, when organized differently, financial demonstrations yield different consumers-with-preferences. Based on this interactional perspective, I find that consumer finance is an 'economy of qualities' where preferences and product properties stabilize through consultation, and where "social" embedding can enable "economic" calculations. Based on this interactional perspective, I examine US and UK proposals for consumer financial protection.



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1.
1 Pseudonym
- 2.

2 Historians and sociologists writing on the development of ever more standardized sales methods (Biggart (1989); Friedman (2004); Leidner (1993)) do not delve into the issue of demonstrating the product, even though this is a key aspect of salespeople's work, whether they are showing Ulysses Grant's memoirs, or how to ring up items on a National Cash Register. Explaining a life insurance policy, I argue, goes along the same show-and-tell lines.

3.

3 In 2008, Hungarian home savings banks held 1 million savings-and-loan accounts for a population of 10 million. For motivational purposes, Solid cited Western levels to its sales force: 50% of German households were said to have a Bausparkasse account.

4.

4 Sales leaders argued that the demonstration had to be carried out in very specific ways to guarantee effectiveness, likening the script to a laboratory manual (the analogy with scientific demonstration is appropriate, see Latour (1988: 5). Only through these practices would a self-evident need for this product appear. Agents must go out into the world and replicate the interactions perfected by their senior colleagues.

5.

5 After 1990 the stock of mortgages stayed low until 2001—2002, when heavy state subsidies ensued spectacular growth until 2004, followed by moderate but steady growth as subsidized mortgages were phased out by market pricing (IIRe, 2005).

6.

6 A complete description and list of these alterations is in Vargha (2010).

7.

7 Presentation by Elizabeth Warren, chair of the Congressional Oversight Panel for TARP and special adviser to the Consumer Financial Protection Bureau (Huffington Post, 2009).

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