

Consumer News & Views

Published monthly

April, 2017



In this Issue...

- **Consumer Confidence Jumps to All-Time High in 16 Years.**
- **New Consumer Scams Abound During Tax Season. Be Careful!**
- **Millennials Saving More for Their Kids' College than for Retirement. By Sarah D. Young**
- **ACC's Friend of the Consumer Award Recognizes Consumer-Friendly Companies. You Can Be Recognized in 2017.**
- **ACC's Friend of the Consumer Award Recognizes Consumer-Friendly Companies. You Can Be Recognized in 2017!**
- **Apply for the 2017 Green CSM Certification Program.**
- **ACC Annual Meeting Scheduled for Friday, June 16, 2017**

Consumer Confidence Jumps to 16 Year High in March. U.S. consumer confidence surged to a 16-year high in March amid growing labor market optimism while the goods trade deficit narrowed sharply in February indicating the economy was regaining momentum after faltering at the start of the year. The Conference Board said its consumer confidence index jumped 9.5 points to 125.6 this month, the highest reading since December 2000. Consumers' assessment of both current business and labor market conditions improved sharply in March.

Thomas Hinton, president of the non-profit American Consumers Council said, "While the uptick in consumer confidence and low unemployment are welcome news, consumers still want higher paying jobs and a healthcare system that provides the necessary coverage for all Americans. Congress needs to get to work and do their job."



According to Lucia Mutikani of Reuters, the economy's strengthening fundamentals were underscored by other data showing further increases in house prices in January. Robust consumer confidence and rising household wealth from the home price gains suggest a recent slowdown in consumer spending, which has hurt growth, is likely temporary.

"We think that real consumption will firm moving forward," said Daniel Silver, an economist at JP Morgan in New York.

"It looks likely that the recent spending data were held down by some temporary factors related to unusually mild weather and a delay in tax refund issuance."

They also anticipated an increase in their incomes. The survey's so-called labor market differential, derived from data about respondents who think jobs are hard to get and those who think jobs are plentiful, was the strongest since 2001.

This measure closely correlates to the unemployment rate in the Labor Department's employment report. It is consistent with continued reduction in slack in the labor market, which is near full employment.

The dollar rose against a basket of currencies, while prices for U.S. government bonds fell slightly. Stocks on Wall Street were trading higher, with Dow Jones industrial average .DJI on track to snap an eight-day losing streak.

Both consumer and business confidence have surged in the wake of Donald Trump's victory in last November's presidential election. The Trump administration has pledged to pursue business friendly policies, including tax cuts and deregulation.

The failure to push through legislation to overhaul and reform the Affordable Care Act and the health care system stirred concerns in markets about the difficulties Trump may have in implementing other policies, including tax reform.

"The question then is whether or not consumers will remain upbeat if legislation stalls," said Jim Baird, chief investment officer for Plante Moran Financial Advisors in Kalamazoo, Michigan. "At some point, those hopes for a stronger economy will fade if legislative victories remain elusive."

JOBS BOOSTING CONFIDENCE:

While other economists expected a decline in consumer confidence in April, they said household optimism was being driven by the labor market's health and not Trump's promises. Labor market strength could encourage the Federal Reserve to raise interest rates again in June, they said. "Recovery is what the survey indicates and, more to the point, the answers on jobs and income are rooted in current experience not expectations for what Trump will or won't do," said Steven Blitz, chief U.S. economist at TS Lombard.

"If reality pans out as consumers and we expect, the Fed has three more hikes to go before the year is done."

The Fed raised rates a quarter percentage point at two of its last three meetings, most recently earlier in March. The survey showed increases in consumers planning to buy cars and major appliances. There was, however, a decline in intentions to purchase a home after recent strong gains.

New Consumer Scams Abound During Tax Season. Be Careful!

The American Consumer Council is warning consumers to stay alert and avoid being scammed as crooks seek news ways to steal your money and identity. One of the newest scams involves telephone calls

“Hello, Can You Hear Me” Phone Scam: Your phone rings and the caller ID shows a number you don't know. You answer it anyway and hear, “Can you hear me now?” It's a pre-recorded robocall – even though it sounds like a real person – and it's illegal. We've heard from hundreds of people who have gotten calls like this.

Here's what to do if you get a call from someone you don't recognize asking, “Can you hear me?”:

- **Don't respond, just hang up.** If you get a call, don't press 1 to speak to a live operator or any other number to be removed from the list. If you respond in any way, it will probably just lead to more **robocalls** – and they're likely to be scams.
- **Contact your phone provider.** Ask your phone provider what services they provide to [block unwanted calls](#).
- **Put your phone number on the Do Not Call registry.** Access the registry [online](#) or by calling 1-888-382-1222. Callers who don't respect the Do Not Call rules are more likely to be crooks.
- **File a complaint with the FTC.** Report the experience [online](#) or call 1-877-382-4357.



The Phony Checks Scam:

Scammers know how to design phony checks to make them look legitimate. In fact, the Council of Better Business Bureaus just released a list of the most “risky” scams, based on how likely people are to be targeted, how likely to lose money, and how much money they lost. Fake checks were number two.

Fake checks drive many types of scams – like those involving phony prize wins, fake jobs, mystery shoppers, online classified ad sales, and others. In a fake check scam, someone asks you to deposit a check – sometimes for several thousand dollars – and, when the funds seem to be available, wire the money to a third party. The scammers always have a good story to explain the overpayment – they’re stuck out of the country, they need you to cover taxes or fees, you’ll need to buy supplies, or something else. But when the bank discovers you’ve deposited a bad check, the scammer already has the money, and you’re stuck paying the money back to the bank.

So, don’t deposit a check and wire money or send money back in any way. Banks must make funds from deposited checks available within days, but uncovering a fake check can take them weeks. If a check you deposit bounces – even after it seemed to clear – you’re responsible for repaying the bank. Money orders and cashier’s checks can be counterfeited, too.

Want to avoid the latest rip-offs? Sign up for free scam alerts from the FTC at <http://ftc.gov/scams>.

Scammers Impersonate Kidnappers:

Imposters will pretend to be anyone to get you to send them money. Recently, reports of the virtual child kidnapping imposter scam have resurfaced. The scam begins with a call from someone claiming to have kidnapped a child in your family. You may even hear sounds of a child in distress in the background. The scammer demands money immediately, often wanting money sent through a wire transfer service or by prepaid card. The scammer may even insist that you keep the call a secret and not alert the police.

These calls are fake and law enforcement organizations, like the FBI, are aware of this type of scam.

If you get a call like this, resist the urge to send money immediately, no matter how dramatic the story. These scammers are good at pressuring you to send money before you have time to think. Ask them a question that only your child would know the answer to? (“Name the hospital were you were born?” Or, “What is your Mother’s maiden name?”) Obviously, scammers won’t have this information. Or, you should immediately contact your child or relative to verify they are okay. How do they know your information? Scammers will search the internet and social media sites to get personal information.

It’s natural to want to check on your child’s safety, even if your head tells you the call is fake. That’s OK. Contact your child or their school directly. Then you can report this fraud to the police, FBI or visit: at www.ftc.gov/complaint.

Millennials Saving More for Their Kids’ College than for Retirement *By Sarah D. Young*

Parents often hope for a better future for their children. For Millennial parents, a better future means one without the burden of student loan debt.

In an attempt to lay the groundwork for a debt-free future for their kids, many Millennials are putting their children’s college savings fund ahead of their own retirement fund.

Roughly one in five (19%) Millennial parents who responded to a [survey by TD Ameritrade](#) said saving for their child’s education is their top financial priority, equal to the number that identified emergency savings as their number one priority.

Retirement savings came in third, at 15% of parents.

Findings from the new survey suggest Millennials would rather not see their children in the same boat in the future -- which is to say, still chipping away at their student loan debt when their own kids graduate.



Key Findings:

Millennial parents are saddled with an average of \$9,100 in student debt, the survey found. One-third of these parents expect that they will still be paying off their loans when their kids head off to college.

Although it'll be years before Millennial parents attend their child's college graduation, the poll found that a majority (90%) already have a plan in place to pay at least some of their kid's college fees.

Additional findings from the survey showed:

- Latino/Hispanic and Asian millennial parents are twice as likely as Caucasian Millennial parents to expect to pay all education fees.
- Although 57% Millennial parents do not expect their parents to help with college fees, one in five (19%) grandparents contributed to a grandchild's college savings in the past year.
- Millennial parents who are saving for their children's education are saving an average of \$310 per month, with grandparents contributing an additional \$205.

Setting financial goals:

Accruing the funds needed to foot the bill for a child's college education may be a worthy endeavor, but the experts at TD Ameritrade say college savings shouldn't come at the expense of retirement (for which there are no loans, grants, or scholarships).

"If you're able to swing it, parents can of course sock away money in a college fund, or ask grandparents to contribute to future education needs, rather than the toy box," said Dara Luber, retirement and long-term investing expert at TD Ameritrade.

"Just be steadfast in your own goals. Parents are much closer to cracking open that nest egg, and you want it to be as full as possible," Luber concluded.

Sarah D. Young has been a columnist for a blog aimed at Millennials and has also worked in early childhood education and has been a reading tutor to at-risk youth. She can be reached at: syoung@consumeraffairs.com

ACC's Friend of the Consumer Award Recognizes Outstanding Businesses.

Is your business consumer-friendly? Does your business deserve greater recognition for its service to consumers? If so, you should apply for the American Consumer Council's Friend of the Consumer Award. Now is the time to apply!

Throughout the year, ACC presents its "Friend of the Consumer" Awards. This prestigious award recognizes manufacturers, retailers, and other businesses that produce or sell products in the United States that meet or exceed federally-mandated standards and are touted by consumers as "consumer friendly."

Each year, ACC awards numerous "Friend of the Consumer" Awards to deserving companies and organizations because they have "demonstrated a commitment to American consumers by providing a specific product or service that fosters

consumer confidence and market acceptance."



To apply for the "Friend of the Consumer" Award, complete the online application and return it to ACC with the application fee. Applicants will be notified within 5 days of receipt of their application. Thereafter, a panel of independent judges will review your application and make a formal recommendation within 20 days of receipt of your award application.

For more information, visit: <http://www.americanconsumercouncil.org/awards.asp>

Green CSM Certification Accepting Applications for 2017 Summer Cycle:

If your company or organization would like to increase its credibility with consumers, you should consider applying for the **Green CSM Certification**. Applications for the 2016 Summer cycle are now being accepted through June 30, 2017.

It's a proven fact that consumers want to do business with companies that are eco-friendly and practice Corporate Social Responsibility (CSR). The process is straight-forward and all applicants are recognized by ACC and the Green USA Institute.

All applicants complete the criteria and submit their responses to ACC's Green Consumer Council for review, assessment and feedback. Program details and the **Green CSM Certification** criteria can be viewed at ACC's website located at: <http://americanconsumercouncil.org/greenc.asp>



ACC Annual Meeting Scheduled for Friday, June 16, 2017. The American Consumer Council will hold its annual membership and business meeting on Friday, June 16, 2017 at 10:00 am at The Lodge at Torrey Pines located in La Jolla, CA. The meeting is open to all members of ACC. For more information, please contact ACC's meeting department at 1-800-544-0414.



The Lodge at Torrey Pines, La Jolla, CA