

# Consumer News & Views

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## Consumer Spending Could Stall If Congress Fails to Act on Fiscal Cliff and Tax Breaks:

By all accounts, Black Friday and the first weekend of 2012 Christmas shopping was a great success. The National Retail Federation reports the 2012 Thanksgiving weekend was a blockbuster period for retailers. Consumers took full advantage of big discounts to ring in the holiday shopping season. But, Wall Street is nervous after White House economists warned that consumers could put the brakes on spending if Congress allows the country to fall off a so-called "fiscal cliff."

Thomas Hinton, president of the American Consumer Council, a non-profit consumer education and advocacy organization, echoed the White House warning stating, "The Black Friday spending levels by consumers is a strong sign that consumers are ready to spend significantly more this holiday season." However, Hinton cautioned, "Consumers' enthusiasm could dampen quickly if Congress fails to act and the current tax breaks expire. That would be disastrous and Congress would squarely get the blame. They need to act now."



A new poll shows nearly 247 million shoppers visited stores and websites over the Thanksgiving weekend. Black Friday - the unofficial start to the holiday shopping season - easily exceeded expectations, living up to its name as the day retailers finally get out of the red and start making a profit. The National Retail Federation says holiday shoppers spent about \$423 per person, pushing the haul for the 4-day shopping weekend to nearly \$60 billion - up nearly 13 percent for the same time last year.

Consumer spending is critical to the U.S. economy, accounting for about 70 percent of total economic activity. But Monday, the White House warned that failure by Congress to reach a budget deal by the end of the year could put a serious crimp on consumer spending.

Without a deal, the non-partisan Congressional Budget Office says the combination of automatic year-end tax increases and spending cuts which constitute the fiscal cliff - could nudge the U.S. economy back into recession.

The White House says failure by Congress to reach a budget deal could reduce consumer spending by nearly \$200 billion next year and cut economic growth by 1.5 percent.



Formed in 1934 by seven employees of Louisiana State University, Campus Federal now serves over 48,160 individuals and business members. The common bond between Campus Federal and LSU remains strong, along with the strong relationships we've developed with our additional select employee groups and business members. Let one of the nation's first credit unions become your "Trusted Financial Partner" throughout all financial stages of life.

Our offices in Baton Rouge, New Orleans and Shreveport serve one of the largest member groups of any credit union in the state of Louisiana. Participation in the Credit Union Service Center Network enables you to conduct basic financial transactions nationwide and in areas of the state where Campus Federal does not have branch facilities.

During the 1980s, membership was extended to alumni and graduate students to increase membership and meet the needs of the LSU community. Over the years, membership and assets have continued to grow with the addition of comprehensive financial services such as auto loans, mortgage loans, merchant services and state-of-the art technologies like secure Online Banking, Bill Payer and other value-added products. As Campus Federal continues to evolve, we will maintain our focus of helping members succeed – regardless of where you are in life – and continue to look for new ways to give back to the Louisiana community.

According to Campus Federal, it's a **great time to buy a home or consider refinancing your existing mortgage**. "Fixed mortgage rates have continued to decline, largely due to the Federal Reserve's purchases of mortgage-backed securities to try and stimulate the economy," according to Ron Moreau, vice president of business development and community relations for the Campus Federal.

Rates on fixed home mortgages dipped to record lows last week, hitting levels most industry experts believed they'd never see. Mortgage rates are at a national all time low around 3.5% for a 30-year fixed rate, which is the lowest since long-term mortgages began in the 1950s.

"As far as I'm concerned, renters may want to look at purchasing," Moreau said. "In many cases they may be able to buy a home for the same price they're now paying for rent, or close to it." Rates have been at historically low levels for months and refinance activity is dominating the home loan market.

In a recent news story, "Mortgage rates hit all-time low," Rob Krieger, WBRZ news reporter asked Moreau, "Do you expect rates to go unbelievably lower?" Moreau responded, "I don't think the rates are going to go unbelievably lower, as we've been in this rate environment for a long period, but we are historically low, but I couldn't even guess how long we will stay in this low rate environment."

For more information on mortgage loans, contact Campus Federal Credit Union at (888)769-8841. To become a member of Campus Federal, please visit their website at: <https://www.campusfederal.org/about/membership-eligibility.aspx>

***The American Consumer Council is proud to have  
Campus Federal Credit Union  
as a Sponsoring Member***

## **Consumers' Holiday Spending Jumps Online and in Stores**

The Huffington Post reports that a record number of shoppers visited stores and websites over the Thanksgiving weekend. This was according to a survey released by the National Retail Federation. They were attracted by retailers' efforts to make shopping easier, including opening stores on Thanksgiving evening, updating mobile shopping applications for smartphones and tablets, and expanding shipping and layaway options.

All told, a record 247 million shoppers visited stores and websites over the four-day weekend starting on Thanksgiving, up 9.2 percent of last year, according to a survey of 4,000 shoppers that was conducted by research firm BIGinsight for the trade group. Americans spent more too: The average holiday shopper spent \$423 over the entire weekend, up from \$398 last year. Total spending over the four-day weekend totaled \$59.1 billion, up 12.8 percent from 2011.



The results for the weekend appear to show that retailers' efforts to make shopping effortless for U.S. consumers during the holiday shopping season worked. Retailers upped the ante in order to give Americans more reasons to shop. Stores feared that consumers might not spend because of the weak job market and worries that tax increases and budget cuts will take effect if Congress fails to reach a budget deal by January.

Retailers, which can make up to 40 percent of their annual revenue in November and December, were hoping Thanksgiving openings and other incentives would help boost what's expected to be a difficult holiday shopping season. The National Retail Federation estimates that overall sales in November and December will rise 4.1 percent this year to \$586.1 billion. That's more than a percentage point lower than the growth in each of the past two years, and the smallest increase since 2009, when sales were nearly flat.

Thomas Hinton, president of the American Consumer Council, a non-profit consumer education organization told members he was encouraged by the positive spending trends. "The large discounts and sales prices offered by retailers and

websites created a win-win scenario for consumers and retailers,” Hinton noted. He added, “We expect this uptick in spending to continue straight through the New Year provided Congress acts to protect existing tax breaks.”

According to comScore, which tracks online spending, online sales rose 26 percent to \$1.04 billion on Black Friday compared with a year ago. On Thanksgiving, online sales rose 32 percent from last year to \$633 million. And online sales on Black Friday were up 26 percent from the same day last year to \$1.042 billion. It was the first time online sales on Black Friday surpassed \$1 billion.




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## NuVision Federal CREDIT UNION

NuVision Federal Credit Union is one of Southern California's leading credit unions with the strength of over \$1.2 billion in assets and over 78,000 members. Headquartered in Huntington Beach, California, NuVision has branches throughout Los Angeles and Orange Counties, California as well as Mesa, Arizona.

NuVision has been an icon in Huntington Beach for over 75 years, first serving employees of Douglas Aircraft. Additions to the NuVision family have resulted in a diverse group of sponsor companies in our field of membership in industries including aerospace, utilities, municipal, retail, automotive, housing, engineering, and healthcare.

NuVision places a high level of importance on convenience, providing many avenues to provide Easier Banking. Whether it's in a branch, on the phone, through electronic or mobile channels, we are committed to providing a wide choice of convenient financial services.

When you are searching for a place to put your savings or wondering where to borrow money, consider NuVision Federal Credit Union. Chartered in 1935 as a not-for-profit financial cooperative, we remain your local credit union and we are proudly owned by the members we serve.

### **NuVision Federal Credit Union membership is open to:**

- Any immediate family or household member of a NuVision member
- Any Southern California or Mesa, AZ Boeing Employee and their immediate family and household members
- Any Select Employer Group (SEG) employee and their immediate family and household members
- If you do not qualify based on the above criteria, no problem! At the same time we open your membership at NuVision, we will enroll you in the American Consumer Council (ACC) at no initial cost to you. NuVision handles everything so you can start earning the benefits of NuVision membership right away.

For more information on how to become a member of NuVision Federal Credit Union, please visit their website at: <https://nuvisionfederal.com/membership/>

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## NuVision Federal CREDIT UNION

**Green C<sup>SM</sup> Certification Accepting Applications for 2012 Fall Cycle:**

If your company or organization would like to increase its credibility with consumers, you should consider applying for the **Green C<sup>SM</sup> Certification**. Applications for the 2012 Fall cycle are now being accepted through December 17, 2012.

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 C<sup>SM</sup> Certification** criteria can be viewed at ACC's website located at: <http://americanconsumercouncil.org/greenc.asp>

