

# Consumer News & Views

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**Consumer Confidence Dips Slightly as Holiday Season Begins.** The Conference Board Consumer Confidence Index®, which had rebounded in October, declined in November. The Index now stands at 88.7 (1985=100), down from 94.1 in October. The cutoff date for the preliminary results was November 13.



Lynn Franco, Director of Economic Indicators at The Conference Board, said, “Consumer confidence retreated in November, primarily due to reduced optimism in the short-term outlook. Consumers were somewhat less positive about current business conditions and the present state of the job market; moreover, their optimism in the short-term outlook in both areas has waned. However, income expectations were virtually unchanged and gas prices remain low, which should help boost holiday sales.”

Thomas Hinton, president of the American Consumer Council, stated that “Despite the Consumer Confidence Index® slip in November, consumers continue to have a positive outlook about the economy and a favorable view for the long-term job market.”

Hinton added, “We forecast an increase in holiday spending in the 5% range over 2013. This year’s holiday spending boost should be welcome news for retailers – both online and at the malls. While consumers will not throw caution to the wind with their increased spending, it’s a good sign that Americans are feeling better this holiday season than they have in the past 8 years.”

**Entrepreneurial Start-ups like Uber and AirBnB Deserve a Chance to Succeed.** The heartbeat of American capitalism is its entrepreneurial spirit. Ironically, with every new chapter in our nation's economic history, there are the *Good Guys* and the *Villains*.

In this wonderful American economic Hollywood-like movie, the *Good Guys* are represented by the darlings of the new Sharing Economy -- Uber and AirBnB. These two robust start-ups have become the rallying point for Millennials, who want to shake-up America's traditional way of moving across town and where they choose to sleep on weekend getaways.

The *Villains* are played by the stodgy, old taxi and limousine industry, who are battling Uber's popularity, and the established lodging and hotel industry, which is not happy with the advent of AirBnB. As the script plays out, instead of embracing innovation, the Villains have lined-up against these young, vibrant start-ups. Of course, there's little doubt in the end as to who will triumph. It will be the *Good Guys*. Why? Because consumers always vote for the *Good Guys*.



Daniel M. Rothschild, the director of state projects and a senior fellow with the R Street Institute in Washington, wrote that the two biggest economic stories of the last decade are the Great Recession of 2008-2012 and the rise of the entrepreneurial sharing economy, or as he describes it, "a category of new businesses that turn non-commercial capital and individuals' spare time into valuable commercial assets."

Given this new burst of innovation and entrepreneurial spirit that resonates with millions of 20-somethings around the world, it's ironic that start-ups like Uber and AirBnB are facing their stiffest resistance not from consumers and the status quo industries they are challenging, but from local, state and federal regulators. It's time for regulators to back-off and allow these talented start-up companies to survive or die based on their ability to compete for the hearts and dollars of consumers. That's how America became great!

The fact that ride-sharing services like Uber and Lyft are disrupting the antiquated taxi cartels is good for the global economy. It will force these tired, old business models to improve their performance or die. Taxi service hasn't changed in fifty years. For the most part, cabs are dirty and have holes in their seats, plastered with adult-themed ads, and driven by people who don't speak English very well, or need help navigating their way around town. And, they charge top dollar for this service! Of course, there are exceptions – such as London, Tokyo and New York City – where drivers are professional, well trained and duly licensed. But, my experience with taxis in most major cities has been less than positive.

Regrettably, the powerful taxi industry as well as the lodging industry find it easier to pad the pockets of politicians with their campaign contributions and special favors rather than get creative and reinvent their own business models. Once again, this is a familiar *Good Guy* versus *Villains* movie plot straight from the archives of Hollywood. And, there's little doubt as to who will win in the end.

So, rather than capitulate to the status quo, elected officials and state regulators should back-off and allow consumers to determine the winners and losers. After all, this is what the American economic spirit is all about.

Don't inhibit the growth of new companies by over-regulating them or fixing the deal before the cards are dealt. Do you remember Southwest Airlines? Here's another great start-up business in one of the toughest industries – commercial airlines. Despite all the political and legal interference, and regulatory roadblocks thrown on their runway, Southwest Airlines not only overcame these issues, but today it is one of the most profitable airlines in operation. Why? Because consumers like Southwest Airlines and consumers chose to support it! What else really matters?

So, let's give Uber, Lyft, AirBnB and other start-ups a chance to succeed. As one writer stated, "In the battle between the new, innovative economic entrepreneurs like Uber, Lyft, Airbnb and the traditional businesses like Big Taxi and Big Hotel, I predict that innovation will be victorious. When it comes to the 'power of the people' versus the 'power of regulators,' I'll put

my money on the power of consumers to empower the new entrepreneurs and overcome the regulatory roadblocks." We agree!

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## **Green C<sup>SM</sup> Certification Accepting Applications for 2014 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 2014 Fall cycle are now being accepted through December 15, 2014.

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>

