

Consumer News & Views

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Consumers Still Spending Cautiously Despite Uptick in Confidence Levels. Despite good news on the American economy, consumers have remained cautious and are not spending as much as expected.

Bloomberg News reported that sales at U.S. retailers declined in January by the most since June 2012 amid bad weather and uneven progress in the labor market, signaling the economy was off to a slow start in 2014.

The 0.4 percent decrease followed a revised 0.1 percent drop in December that was previously reported as an increase, according to Commerce Department figures released today in Washington. The median forecast in a Bloomberg survey of economists called for no change. Jobless claims unexpectedly climbed last week, other data showed.



Slower employment and wage growth during the last two months, along with colder-than-normal temperatures, caused American shoppers to pull back after the strongest consumer spending pace in three years in the final quarter of 2013. Economists at Goldman Sachs Group Inc., Credit Suisse and Morgan Stanley were among those reducing tracking estimates for first-quarter growth.

"It's not looking good for consumer spending," said Guy Berger, a U.S. economist at RBS Securities Inc. in Stamford, Connecticut, and the top sales forecaster over the last two years, according to data compiled by Bloomberg. "Even if you have some modest improvement in the pace of employment growth, that's not enough to generate a huge improvement in income."

Also, more Americans than forecast filed applications for unemployment benefits last week, according to the Labor Department figures. Jobless claims increased by 8,000 to 339,000 in the week ended February 8. The median projection in a Bloomberg survey of economists called for 330,000 claims.

The expiration of emergency jobless benefits probably also played a role in holding back retail sales. Federal benefits for the long-term unemployed expired on Dec. 28, shutting off aid to more than a million people. Legislation to extend the program for three months, at a cost of \$6.4 billion, is stalled in the Senate. More than 3.6 million people have been without work for 27 weeks or longer, according to the Labor Department.

After the drop in retail sales, Goldman Sachs cut its tracking estimate for first-quarter growth to 1.9 percent from 2.3 percent, Credit Suisse lowered to 1.6 percent from 2.6 percent, and Morgan Stanley reduced its projection to 0.9 percent from 1.9 percent.

Thomas Hinton, president of the American Consumer Council, a non-profit consumer education organization, stated, "We remain bullish for economic growth in 2015 despite the slow start. Consumers need to see some measurable action by the new Congress towards stabilizing job growth and providing more opportunities for business start-ups. Without congressional action, consumers will be reluctant to spend freely."

Major Retailers Pull Dietary Aids from Shelves under Legal Threat from the New York Attorney General.

Four major retailers, under threat of legal action from the New York Attorney General, have pulled certain dietary aids from their shelves.

According to the *New York Times*, Walgreens Boots Alliance Inc, Wal-Mart Stores Inc, GNC Holdings Inc and Target Corp agreed to remove certain dietary supplements from their retail shelves in New York after receiving a threat of legal action from the state's attorney general.



The retailers received subpoenas from New York State Attorney General Eric Schneiderman demanding evidence for the health claims printed on labels of dietary supplements sold in New York.

Attorney General Schneiderman asked major retailers to halt sales of certain herbal supplements as DNA tests failed to detect plant materials listed on a majority of products tested. Earlier this week, GNC said it refuted the claims made by Schneiderman and said re-testing results clearly and conclusively demonstrate that the company's products are pure, properly labeled and in full compliance with all regulatory requirements.

The subpoenas require the retailers to provide evidence of how they would prove the authenticity of their product claims.

NCUA Certifies American Consumer Council as Compliant with Associational SEG Requirements.

After a 15-month long quality review process, the National Credit Union Administration's Office of Consumer Protection (NCUA-OCP) has reaffirmed that the American Consumer Council is compliant with the agency's Totality of the Circumstances test and can continue to refer its members to federally chartered credit unions.

David Romanski, Esq., the Chairman of ACC, stated, "This has been a very long, exhaustive and expensive review by the NCUA. We are pleased that the NCUA has completed its quality control review of our national, non-profit membership organization and found ACC to be fully compliant with its associational SEG requirements."



Romanski added, "ACC looks forward to continuing its partnership with credit unions to not only grow our respective memberships, but also provide the financial education programs so many consumers need in today's complex financial world."

ACC currently partners with a network of 45 credit unions across the United States to serve its 160,000 members. Romanski noted that 18-20 credit unions are awaiting action from the NCUA to add ACC as an associational SEG. Several credit unions have had applications on file with the NCUA for over a year. When asked about the status of associational SEG applications pending before the NCUA, Romanski commented, "We're confident the NCUA will now begin to act swiftly and favorably on the backlog of associational SEG applications that have been stalled for over a year so that we can better serve the needs of our members in these under-served communities."

Thomas Hinton, president of the American Consumer Council, indicated that ACC had spent a "considerable sum of money expanding its staff, strengthening its chapters, and opening 12 additional offices across the country during the NCUA's review. "While our business plan called for ACC to take these steps over a three-year timeline," Hinton stated, "we expedited that timeline to ensure we would satisfy certain demands by the NCUA."

ACC Annual Business Meeting Scheduled for Friday, June 12, in San Diego. The American Consumer Council (ACC) has announced its 2015 annual business meeting will be held at the Rancho Bernardo Inn located in San Diego. Members are welcome to attend. For details, please contact ACC at 1-760-787-0414.

ACC's *Friend of the Consumer* Award Recognizes Outstanding Businesses in 2015.

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.

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 2015 Spring 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 2015 Spring cycle are now being accepted through March 31, 2015.

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>

