

Consumer News & Views

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In this Issue...

- **Consumer Confidence Hits All-Time High Record Level.**
- **Who Deserves the Credit for America's Economic Recovery?**
- **ACC's Friend of the Consumer Award Recognizes Consumer-Friendly Companies.**
- **Apply for the 2017 Green CSM Certification Program.**

Consumer Confidence Hits 9-Year High Record Level in December.

The Consumer Confidence Index rose 4.3 points in December to 113.7, the highest since August 2001. As the first true post-election measure since Donald Trump was elected, American consumers' optimism for the future soared. The increase confounded many economists who had expected the Index to drop slightly after the election.

Consumer and business sentiment as well as the stock market has risen significantly following the presidential election, with Americans relieved that the campaign is over and hopeful that President-elect Donald Trump's agenda of tax cuts, deregulation and infrastructure spending will boost the economy.

The NFIB Small Business Optimism Index showed a big gain in November, with responses sharply higher following the election. The NAHB Housing Market Index hit an 11-year high this month, even as mortgage rates soar to their highest levels in more than two years.

How much consumers' optimism will lift the economy is unclear. On a positive note, Amazon.com (AMZN) reported that it shipped more than 1 billion items during the holiday. Several reports during the holiday season suggested that Amazon and e-commerce dominated the holiday shopping season, while brick-and-mortar traffic fell even more than expected.

Who Deserves the Credit for America's Economic Recovery? As President Obama prepares to leave office, the new president-elect, Donald Trump, inherits an American economy that is humming. But, based on the election rhetoric, you would think Mr. Obama had run the economy into the ground. How soon we forget.

When President Obama entered office in 2008, America's economy was in the tank. Banks and large companies were failing. Our nation was in a deep financial crisis. More than 800,000 Americans lost their jobs during January 2008, the month that Obama took office. Unemployment was pushing past 10% in many major cities and people were losing their homes at an alarming rate.

Fast forward eight years...

Unemployment is at its lowest level since 2007. Home prices are back at all-time highs.

Economic growth is picking up. The minimum wage is up significantly. The economy expanded at a 3.2% annual rate from July through September and most workers are getting pay raises on an annual basis.

Donald Trump has inherited an economy that's pretty solid," according to Kevin Hassett, an economist at the conservative American Enterprise Institute, on CNBC.

But when you ask most Americans who deserves the credit for this remarkable recovery, Obama's name is seldom mentioned. In fact, President Obama believes he hasn't received enough credit for the big turnaround. "Anyone claiming that America's economy is in decline is peddling fiction," Obama said earlier this year.

Unemployment has fallen dramatically from 10% to just 4.6% now. America has gained over 11 million new jobs since Obama took office. But, during the campaign, Mr. Trump pointed to those left behind in recovery and he continues to hammer the Obama economy as terrible.

"Companies are not going to leave the United States anymore without consequences," Trump said at a speech at a Carrier factory in Indianapolis, Indiana. "We're losing so much."

While hiring has picked up rapidly under President Obama — 2014 and 2015 were the best years of job growth since the late 1990s — the gains have almost all come in the so-called "service sector," not in manufacturing and blue collar work. Mr. Trump plans to improve that dismal statistic and is working hard to reverse job losses due to plant relocations to Asia and Mexico.

"There are some people doing fabulously well and others on death's doorstep. And there's a heck of a gulf in between," says Mark Hamrick, senior economic analyst at Bankrate.com.

The U.S. has 54,000 fewer manufacturing jobs now than a year ago, according to the Labor Department.

Trump and vice President-elect Mike Pence negotiated a deal with Carrier to keep about 800 jobs in Indiana. Some of those jobs would have gone to Mexico. The Obama team counters that his administration added 178,000 jobs added in November alone. It was the 74th consecutive month of job gains under Obama.

The question now is this: can Trump do better?

Trump and his new team of economic advisers promise to hypercharge U.S. growth. They say they can get it to 4% — stronger than recent years when the economy has grown only 2%.

The question is how.

Trump wants big tax cuts for businesses and individuals. He's also planning to roll back regulation and spend more on roads and bridges. Wall Street has given these plans a big thumbs up. The stock market continues to rally towards record levels in December after Trump won the presidency. Business and consumer confidence has also shot up since the momentous win.

There's just one catch: The U.S. economy has less potential to grow now than in the past, argues economist Ashworth. Two key factors drive growth: More people entering the workforce and workers being more productive on the job.

CNN reports that the U.S. has an aging population and little appetite for much more immigration, so it's hard to see more workers flooding into the workforce. About 2.1 million Americans lost their jobs in recent years and appear to have simply given up looking. They are the hidden unemployed. Getting them jobs won't be easy as many jobs today require specialized skills.

Trump's big hope is to get productivity up by encouraging businesses to invest more in their factories, research and workers. Business investment has been one of the missing parts of the recovery.

"We're not quite there yet, but we've made a considerable amount of progress," says Ashworth.

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 Winter 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 Fall cycle are now being accepted through March 31, 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>

