

Consumer News & Views

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Reaching Out to Millennials: How to Capture the Hearts, Minds and Wallets of a New Generation of Consumers.

Financial institutions, auto dealers, retailers, schools and non-profit organizations need to find innovative, tech-savvy ways to reach younger consumers if they want to grow in the future. Even our political systems need to change the way they do business if they want to engage Millennials.

While you might want to, you can't write-off the 80 million Generation Ys (those born between 1982 and 2003). Millennials really do think differently. They are heavily dependent on technology and fiercely independent. They think for themselves, make their own decisions, but they do rely on word-of-mouth recommendations and social media commentary when making buying decisions.

When it comes to financial institutions, Millennials will have a huge impact on how banks and credit unions shape their marketing approach as well as their offerings of savings, checking and investment plans. Make America's economic force of the future."

Below are a few highlights gathered from various thought leaders on how your company can improve its chances to capture the hearts, minds and wallets of Millennials:



- They'll spend billions of dollars on new technology and education because it ensure their future success.
- They want easy! If you can't access it on a Smart Phone, don't bother.
- They'd rather work at a job that pays less than work for bad bosses who support antiquated policies, rules and procedures that crimp the Millennials' life style.
- They want freedom and life balance – time to enjoy life and all their toys!
- Millennials will be financially independent.
- Most Millennials will marry later in life and spend more time with their kids than their Baby boomer parents did.
- When it comes to banking, Millennials will be the generation that is “heard, not seen.” So, embrace your technology tools or die. Mobile banking, wearable technology and even biometric technology are not options; they are must-haves for Millennials.
- By 2020, it won't be about your branch locations, it will be about ease-of-access to your online services and the security of your customer data.
- When it comes to social advancement, you'd better get rid of the Confederate flags, anti-gay attitude, and antiquated work rules including low pay and no health insurance benefits. While Millennials come in all sizes, shapes, colors and races, they have little patience for the outdated ways of society that inhibit freedoms and restrict their movement.
- Millennials won't work for Neanderthal managers who expect you to punch a clock and leave your brain at the door.
- Don't ignore the economic power of Millennials, especially the emerging Hispanic consumer market. It's estimated by the U.S. Chamber of Commerce to be \$1.2 Trillion by 2020.
- The average millennial earned \$33,883 in 2013, compared with \$40,352 for workers of all ages according to data from the U.S. Census Bureau. This means Millennials will earn more by age 30 than Baby Boomers, but they'll expect to have more free time and a balanced life.
- Financial institutions should heavily market their credit cards and consumer-friendly workplaces. While Millennials are currently earning less income (because they are younger), their spending level is high because of parental support. That means many of them have significant credit card debt. You could also take a “counter” approach and educate them about the disadvantages of high balance credit cards.
- Millennials want politicians to fix the student debt problem now! It's a massive debt and Millennials need an immediate solution! What do they want and expect? Millennials believe in their right to a free in-state education (tuition only); and, Millennials want Congress to guarantee a four-year degree program that they can afford. This means that educational institutions will need to provide about \$15,000 per year, per student if they expect enrollments to grow.
- The average amount of student debt for college graduates in 2013 was \$28,400, up 2 percent from 2012, according to the latest data from the Institute for College Access and Success.
- Financial institutions should be helping recent college graduates refinance their college loans. Millennials will flock to banks and credit unions that offer special, low-interest, long-term refinance college loan debt product.
- Credit companies need to re-examine the negative impact of student loan debt on credit scores and loan applications for Millennials.
- The burden of student debt and low income jobs is keeping Millennials from buying homes. If the traditional American Dream is going to be realized for Millennials, politicians must resolve the student debt crisis now. If Millennials cannot afford home mortgages, every home-buying related industry will suffer – furniture, appliances, lawn maintenance, and so forth... not to mention the mortgage lending industry!
- When it comes to retirement planning, Millennials got the message from their Baby Boomer parents, who have not saved enough and were hurt in the Great Recession. A recent survey by Principal Financial Group found that nearly two-thirds of workers who are 23 to 35 started saving for retirement before they were 25, but less than one-third save 10 percent of their salary through an employer-sponsored plan. This is an opportunity for financial institutions to offer creative financial planning services for Millennials.

Consumers Want Faster Regulatory Approval to Ease Access to Credit Unions. Members and guests came together last month for the American Consumer Council's (ACC) annual meeting the discussion among members focused on three key issues.



At the top of the agenda was the concern of 22 state consumer council leaders who called on ACC to request the National Credit Union Administration (NCUA) to expedite approval of 16 credit unions that are trying to expand their field of membership to include consumer-members of their state consumer councils. Over 845 members have expressed interest in joining a credit union in their local area, but have not been able to do so because regulators have not yet approved the credit union's application to add the state consumer council to its field of membership.

According to ACC's board of directors, several credit union SEG applications have been languishing in the NCUA's approval process for more than two years, and state consumer councils expressed frustration with the NCUA's slow approval process.

Secondly, consumers want a resolution to the Takata airbag fiasco. Dozens of consumers expressed their concerns on Takata's inability to move more quickly on replacing faulty airbags. Members asked ACC to push Takata to expedite the replacement of faulty airbags.

The third issue that dominated the meeting was financial education programs for Millennials and retiring Baby Boomers. There's growing concern that Millennials are not adequately educated on financial matters and members asked ACC to increase its offering of financial literacy programs for Millennials. Consumers who are approaching age 65 expressed concern that they need more information on Medicare and Social Security benefits.

ACC's Chairman David Romanski indicated that the 164,000 member non-profit consumer education organization would carry these issues forward and address them during the summer months.

7 Ways to Protect Your Identity This Summer. by: Nancy Anderson

When I put a list of common financial concerns — 13 Wealth Issues — in front of my clients and ask what is top of mind for them, Identity Theft is often the first thing they mention as a pressing concern.

That fear is not unwarranted — identity thieves can do serious damage when they have access to your Social Security number, birth date, address, and other sensitive financial information.

Unfortunately, I know from experience. My personal information was compromised a few years ago, and it scared the heck out of me. Here's what happened: A credit card (one that I never applied for) showed up in my mailbox. I'd never set foot in that particular store, since there wasn't one in my neighborhood.

Clearly someone else had used my name and applied for "instant credit" at the store. — It was a creepy feeling knowing someone had a fake driver's license with their picture and my name on it. There are a few precautions you can take to prevent your identity from being stolen, and if someone does access your accounts, there are ways to catch it quickly and spring into action.

Be vigilant with your online information.

Only log into your banking and financial institution sites from home or a secured location. This may seem simple, but it can be easy to forget. For example, I take a commuter bus into Salt Lake City every morning and spend time on my iPad writing — it's my blog time. I've caught myself just about the check my bank information before realizing I am on the bus's wi-fi, not my own! It's so easy to just switch from one task to the other, forgetting to keep financial information protected.

Never use a debit card for online purchases.

A debit card is directly connected to your checking or savings account, so if there is fraud, your account can be drained — ouch! A credit card is just that — credit! If there are purchases you don't recognize, you can dispute them without your funds having already been withdrawn from your account. Consider having one credit card specifically for that purpose. I just said "never" use a debit card for online purchases. However, you can if you have a card linked to an account you use for this purpose only. I know some people don't like using credit cards, even if they pay them off each month in full.

Monitor your accounts monthly.

When you go "paperless," it can be easier to neglect checking your statements. Be sure to review your bank accounts and credit card statements regularly to make sure they are correct and to watch for unauthorized purchases. My husband and I were traveling last month in Africa and found a mistake on our credit card bill when we returned. We were charged twice for a large purchase! This was a mistake by the vendor and by watching the account, we were able to catch it and dispute it.

Simplify your financial information.

When you have multiple accounts and can fan out your credit cards like a deck of playing cards, it's a challenge to stay on top of things. Consider paring down your accounts in order to better stay on top of them. In the past I've worked with clients who have had 10 checking and savings accounts, as well as multiple credit cards. We consolidated them to make them more manageable. Also consider using an aggregation service, such as Mint.com, so all of your accounts and daily transactions are viewable with one single sign-in. This can help you easily stay on top of your account activity.

Check your credit information regularly.

One problem with identity theft is that you may not know what you don't know. If someone opens an account in your name and changes your address, you are left in the dark. You don't have to pay to get your personal credit information. Though you can subscribe to a credit monitoring service, you do have access to your credit information for free. Using www.annualcreditreport.com, you can request a copy of your credit information from each of the credit bureaus once a year. Tip — stagger them throughout the year instead of getting them all at once.

For example, you can use www.annualcreditreport.com to request your Experian report this month, then your TransUnion report in October, and your Equifax report in February.

If you notice any unusual activity, you can take action from there. Note — be sure to use the link provided here. There are other services that aren't actually free! This site is authorized by federal law for the credit bureaus to provide free reports to consumers.

Take advantage of free (or low-cost) credit monitoring services.

If you have been a victim of identity theft, or there was a credit breach in a company you're involved with, you may be offered free credit monitoring services. After my identity theft, I was offered free credit monitoring by Experian for a few years. The advantage of credit monitoring is that you receive updates from the very companies that aggregate the data for lenders. When there is any activity involving your credit, you receive a notice. Whenever there was a change in my credit or there was a credit inquiry, Experian sent me an email. This allowed me to very quickly see if there was unauthorized use of credit. Obviously, you can subscribe to these services for a monthly fee (here are links to Experian, Transunion and Equifax) and they are sometimes offered at a discount by your financial institution.

If you see something, report it right away.

I immediately filed a police report when my data was breached. This helped to disclaim any accounts that were opened in my name that I was unaware of. Also contact your state and local consumer protection agency — here is a link — for next steps. In today's digital world, we have so many advantages. With that comes a need for diligence to protect our information, whether we like it or not.

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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. 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 2015 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 2015 Summer cycle are now being accepted through August 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>

