

Consumer News & Views

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How Will Britain's Exit from the EU Affect American Consumers? *By Jessica Castro and ABC News.*

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When the dust settled on June's "Brexit" vote, the euro fell against the dollar and the pound dropped to its lowest level since 1985, plunging more than 10 percent from about \$1.50 to \$1.35 before a slight recovery, on concerns that severing ties with the single market will hurt the U.K. economy and undermine London's position as a global financial center. Bank

of England's Governor Mark Carney sought to reassure the markets by pledging 350 billion pounds for any economic emergencies.

So how is the average American affected by the Brexit?

A good question. It's bittersweet news so far for American consumers on the heels of the United Kingdom's decision to leave the EU. A volatile stock market spells bad news for retirement, but the drop of the British Pound could be good news for consumers who are traveling to England.

If you were thinking of buying a home, buying a car or even expanding your business with a loan, the U.K.'s departure from the European Union could be a good thing.



"This event essentially seals lower interest rates for the time being, and potentially even for the rest of this year," said Rebecca Jarvis with ABC News.

But, if you plan on retiring in that dream home, you may be wondering what does Brexit mean for your 401(k)? The Dow Jones Industrial Average dropped over 600 points. That translates to a loss of over \$2,700 dollars on your retirement savings today alone on the average 401-k.

"If you are closer to retirement, one or two years out to retirement right now you want what's called a cushion: you want savings in cash that you can access. The longer you are from retirement the more time you will have for the market to come back," said Jarvis.

So if you can, try to hang tight. This may also be a good time to invest but it's a reminder that you want to diversify and not have all your money in stocks.

Finally let's talk about travel. It's summertime and that means some of you may have planned a vacation to London or another city in the U.K. "Because the British Pound is so weak, you're going to have a lot more buying power. So, if you already had planned a vacation there this summer, you actually are probably going to be able to spend your money and make your U.S. dollars go a lot farther," said Jarvis. On the flip side, British travelers may cut back on plans to U.S. There could be an adverse effect if you rely on the tourism industry, which is big business here in the Bay Area.

Prime Minister David Cameron, who had led the campaign to keep Britain in the EU, said he would resign by October and left it to his successor to decide when to invoke Article 50, which triggers a departure from European Union.

Cameron called the referendum largely to silence voices to his right, then staked his reputation on keeping Britain in the EU. Former London Mayor Boris Johnson, who is from the same party, was the most prominent supporter of the "leave" campaign and now becomes a leading contender to replace Cameron. The vote also dealt a blow to the main opposition Labour Party, which threw its weight behind the "remain" campaign.

Many say the vote constituted a rebellion against the political, economic and social Establishment. All manner of groups - CEOs, scientists, soldiers - had written open letters warning of the consequences of an exit. Farage called the result "a victory for ordinary people against the big banks, big business and big politics."

In addition, the complex nature of Britain's integration with the EU means that breaking up will be hard to do. The negotiations will go far beyond tariffs, including issues such as cross-border security, foreign policy cooperation and a common fisheries policy.

It will also affect the ability of professionals such as investment managers, accountants and lawyers to work in the EU, threatening London's position as one of the world's pre-eminent financial centers. The U.K. hosts more headquarters of

non-EU firms than Germany, France, Switzerland and the Netherlands put together.

Consumer Confidence Drops a Bit in June. A key measure of consumers' attitudes was lower than expected this month, showing that consumers had a slightly dimmer view of the economy. The Index of Consumer Sentiment, a survey conducted monthly by the University of Michigan, hit 93.5 in June, the University of Michigan reported. Economists expected the index of consumer sentiment to hit 94 in June's final reading, down from 94.7 in May's final reading, according to a Thomson Reuters consensus estimate. The modest drop does not reflect consumers' reactions to the "Brexit" vote in which the people of Great Britain decided to leave the European Union (EU).

"While no recession is anticipated, consumers increasingly expect a slower pace of economic growth in the year ahead," Richard Curtin, the chief economist of the survey, said in a statement.

The normal interviewing schedule for the survey would have run from May 26 to June 22. It came on a day when U.S. stock markets opened sharply lower as the global economy digested Britain's departure from the European Union.

Thomas Hinton, president of the American Consumer Council, a non-profit consumer education organization, stated, "Consumers remain mostly confident, but cautiously optimistic. We don't expect any significant economic changes in 2016, but if the American economy changes direction as a result of the Brexit vote that could negatively impact the USA's job market and hurt consumer spending. Time will tell."





“Expanding Consumer Opportunities”

July 1, 2016

Issued By:

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AMERICAN CONSUMER COUNCIL

Overview:

As the American Consumer Council (ACC) begins its new fiscal year, 2016-217, we are pleased to report significant growth across our three key metrics – membership, financial growth and program services. During the past 12 months covering the period of May 1, 2015 – April 30, 2016, ACC enjoyed the following successes.

Membership:

ACC is pleased to report continued membership growth of 6.2% in 2015-2016.

As of April 30, 2016, ACC experienced a net membership growth rate of 6.2% resulting in the addition of 10,515 new members giving us a total of 180,127 members (accounting for attrition). ACC and its 46 state affiliate consumer councils easily surpassed its annual membership goal of 175,000 members for 2015-2016.

ACC is also proud of its member retention rate of 93.7%. ACC currently has members in all 50 states as well as Europe, Asia, Puerto Rico, Guam, and the U.S. Virgin Islands. Some 65% of ACC members continue to come from individuals who consider themselves activists, advocates or mistreated consumers seeking redress through ACC. The balance of new members – approximately 35% -- are generated through our 68 credit union partners.

Credit Union Affiliation.

Also, ACC can report that 65.7% of ACC members have some credit union affiliation while 34.3% have no credit union affiliation or declined to state any affiliation with a credit union.

Financials:

During the 2015-2016 fiscal year, the American Consumer Council experienced a significant increase in revenues, up 42% from the previous year. This is a direct result of membership growth as well as corporate sponsorships and program grants. With the expansion of staff in our state consumer council offices, ACC's expenses increased 37%. Despite the increase in revenues and expenses during FY 2015-2016, ACC's net assets increased by 59%.

Education:

During the 2015-2016, ACC redoubled its efforts to introduce financial education programs and that commitment will continue in 2016-2017 with the launch of a video series targeting Millennials. The video series will be hosted by Kim Curtis, the author of Kim Curtis' Money Secrets: Key to Smart Investing. This new video series launched in June 2016 and will be provided at no cost to our members and credit union partners.

2016-2017 Forecast:

We anticipate the overall American economy will grow at a rate of 2.6% growth rate and consumers will continue to spend money on autos, homes and travel. This is good news for banks and credit unions since consumers are trying to save more money. The 2016 presidential election will help maintain the economic status quo.

Annual Meeting:

In compliance with our Bylaws, ACC held its annual meeting on Friday, June 10, 2016 at The Lodge at Torrey Pines. All members of ACC's Board of Directors were present for the meeting. Some 262 members participated via conference call.

The Essentials of Keeping Your Credit in Check.

Here's an excellent article from *On The Money*, which airs on CNBC, on how to make sure you keep your credit in good shape. Katie Young reported this segment.

Whether you're looking for a job, buying a car or shopping for insurance, it's always a good idea to review your credit report before a potential lender (or employer) takes a peek.

Your credit report, a running history of your borrowing and payment behavior, is likely to be pulled and scrutinized. Whether it's accurate or not, any negative information can cost you thousands of dollars in the form of interest rates on loans. Even worse, it can stop you from being able to make a purchase or land that job.



"Credit has become more and more important," Jesse Levey, COO of Credit Sesame, a website that provides credit monitoring services as well as other personal finance tools, told CNBC's *"On the Money"* in an interview.

"It used to be you needed good credit if you wanted a mortgage, now good credit makes a difference in so many different aspects of your life," he added.

If good credit is king, how do you manage it?

Make a credit report list, check it twice.

There are three main credit reporting agencies, and by federal law consumers are entitled to a free report from each agency once a year. While there are many sites out there that claim to give a free credit report, the official place to go is www.annualcreditreport.com.

Credit reports list all forms of debt, including credit card accounts, car loans, personal loans and even rental agreements. The balance outstanding and your payment history will also be listed by account.

As you scan, check to make sure everything listed actually belongs to you, Levey advised. "Make sure all the information is your information. Check any delinquencies or debts to make sure it's accurate."

Errors are more common than you may think. In its monthly report, the Consumer Financial Protection Bureau found the three credit reporting agencies — TransUnion, Experian and Equifax — were the top-three most complained about companies. Incorrect credit report information was the most common type of complaint.

If you find an error, fix it fast.

"If somebody else's information lands on your credit report due to an error, it's really important to catch them and alert the bureau," said Levey. He added that the credit agencies have an incentive to fix inaccuracies to protect their own professional reputations and integrity, since after all they make money selling these reports.

The Federal Trade Commission (FTC) advises consumers to report the error in writing, and they provide a sample letter on their website to get you started. Make copies of any supporting documentation that prove the information is incorrect.

If you want to do it all online, Levey said each credit agency also has dispute process that you can complete by going to their website.

It's also a good idea to notify the creditor, bank or credit card company. If you're disputing an item, many have departments set up just for handling credit disputes.

If your credit report does contain negative yet accurate information, then all you can do is wait because only time will remove it. Be wary of companies that say they can remove negative information from your report instantly, or say they can give you a new credit identity. Both claims are classic scams and can even be illegal.

Instead, be vigilant and monitor your credit. Keeping an eye on your report and effectively managing your debt will keep your credit in good shape.

"On the Money" airs on CNBC on Saturday at 5:30 am ET, or check listings for air times in local markets.

ACC's Friend of the Consumer Award Recognizes Outstanding Businesses in 2015-2016.

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 2016 Fall 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 Summer cycle are now being accepted through September 30, 2016.

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>

