



Consumer News & Views

THE OFFICIAL MONTHLY NEWSLETTER OF THE AMERICAN CONSUMER COUNCIL



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Consumer confidence decreased to record low in June



The Conference Board Consumer Confidence Index® plunged in June due to rising inflation, following an increase in May.

In June 2022, the consumer confidence index decreased from 58.4 in May to 50.2 in June.

- Gas prices continue to drive down confidence
- All components of the index fell
- Consumer prices surged 8.6% last month from 12 months earlier
- Consumers' willingness to buy stands at -37, compared to -33 in May--the lowest level since 1986
- Consumers remain positive about future unemployment

The Expectations Index is at a current level of 46.80, down from 55.20 last month and down from 83.50 one year ago. This is a change of -15.22% from last month and -43.95% from one year ago.

—See **CONSUMER CONFIDENCE, P. 2**

U.S. Consumer Confidence Falls to Lowest Level in 16 Months



The last month has seen a monumental downturn in consumer confidence from months prior. With inflation, rising gas and grocery prices, airline cancellations, and more, confidence is dwindling--and fast.

U.S. consumer confidence slipped to its lowest level in 16 months as persistent inflation and rising interest rates have Americans as pessimistic as they've been about the future in almost a decade.

The Conference Board said Tuesday that its consumer confidence index slipped to 98.7 in June from 103.2 in May, the second straight monthly decline and the lowest level since February 2021. The business research group's expectations index, based on consumers' six-month outlook for income, business and labor market conditions, tumbled in June to 66.4 — its lowest level since 2013 — from 73.7 in May. It has been a consistently weak spot in the survey recently.

"Consumers' grimmer outlook was driven by increasing concerns about inflation, in particular rising gas and food prices," said Lynn Franco, the Conference Board's senior director of economic indicators.

Inflation has soared over the past year at its fastest pace in more than 40 years, with rising costs for nearly everything negating Americans' pay raises.

Consumer prices surged 8.6% in May from a year earlier, faster than April's year-over-year increase of 8.3%, the Labor Department reported earlier this month. The new inflation figure was the highest since 1981 and came after the Federal Reserve raised its main borrowing rate by a half point in early May in its effort to tamp down rising inflation.

The Labor Department's producer price index — which measures inflation before it reaches consumers — also surged 10.8% in May from a year earlier, putting pressure on the Federal Reserve to become even more aggressive in its fight against historic inflation.

The Fed responded a couple of weeks ago by raising its main borrowing rate by three-quarters of a point, its biggest increase since 1994. More rate hikes are expected this year. The Conference Board's survey showed that consumers grew more pessimistic about short-term business conditions, the job market and their own short-term financial prospects.

Purchasing intentions for big-ticket items -- cars, homes and major appliances -- remained relatively stable, but rising costs for travel have forced Americans to dial back some vacation plans.

The index is now at the lowest point since February 2021.

"Consumer confidence fell for a second consecutive month in June," said Lynn Franco, Senior Director of Economic Indicators at The Conference Board, in a statement released with the report.

Along with the consumer confidence figures, The Conference Board also noted that two other indices have fallen as well. The index that assesses how consumers are viewing the current business climate and existing labor market conditions also declined, marginally.

But the "Expectations Index," which tracks the short-term outlook of consumers on income, business, and job market conditions, saw a sharp decrease from 73.7 to 66.4. That puts consumer expectations at the lowest level since March 2013, according to The Conference Board.

Along with consumer confidence figures, the expectations that consumers have moving forward may now suggest weaker growth and the growing risk of recession, Franco noted.

Surveys were taken through June 22, 2022, according to the statement. The findings from The Conference Board may also be consistent with the recent findings from the University of Michigan, which also found that Americans are now feeling worse about the state of the U.S. economy.

Airlines cancel hundreds of U.S. flights as labor crunch, bad weather loom



TIME	DESTINATION	FLIGHT	GATE	REMARKS
18:08	NEW YORK	AC 103	13	CANCELLED
18:16	BERLIN	CI5723	22	CANCELLED
18:38	LONDON	MU5984	12	CANCELLED
18:49	TOKYO	JL 608	14	DELAYED
19:07	HONG KONG	CX6471	25	CANCELLED
19:18	MADRID	IB3941	03	DELAYED
19:29	SYDNEY	LH5021	17	CANCELLED
19:35	TORONTO	KA 197	11	CANCELLED
19:44	PARIS	AF5870	02	DELAYED
19:50	ROME	FM 324	04	CANCELLED

Airlines canceled over 700 flights in the United States on Monday, as adverse weather and a shortage of staff hurt their ability to keep up with a surge in summer travel demand.

Total flight cancellations within, into, or out of the United States as of 1.07 p.m. ET were 747, as per flight-tracking website Flightaware.com. Nearly 860 flights were canceled on Sunday.

Delta Air Lines (DAL.N) had over 200 cancellations, Republic Airways Inc and United Airlines Holdings Inc (UAL.O) had 196 and 122 flight cancellations, respectively, while American Airlines Group Inc (AAL.O) canceled 62 flights as of Monday afternoon.

American Airlines said the cancellations were largely due to weather and air traffic control initiatives designed to regulate traffic.

Delta, United and Republic did not respond to Reuters requests for comment.

In Europe, recent airport snarls have been blamed on a shortage of employees, as many workers, who were laid off during the pandemic, desert airport work for flexible working practices and other occupations.

Even the U.S. regulator Federal Aviation Administration (FAA) faces staff shortages. The FAA last week granted United approval to temporarily cut Newark flights after the Chicago-based carrier petitioned for a waiver, citing airport construction and air traffic control staffing.

Airlines for America, a trade group, said on Friday the FAA must ensure adequate air traffic control staffing to avoid further summer travel disruptions. Shares of Delta, United and American Airlines were down 2% to 3% in afternoon trade.

The weekend of Father's Day and Juneteenth, thousands of travelers were left fuming after more than 3,000 flights were canceled and more than 19,000 were delayed. Even Transportation Secretary Pete Buttigieg, fresh off a virtual meeting with airline executives the previous day to press for more accountability, was not spared. He drove to New York after his flight from Washington was canceled.

Hundreds more U.S. flights were canceled this past weekend, including more than 800 on Sunday, a day with nearly 7,000 delays. Airlines say they are doing their best to retool operations, arguing there are no models for navigating a global pandemic. They have stepped up hiring, in some cases offering \$10,000 signing bonuses to lure replacements for the 50,000 workers who left at the height of the pandemic.

In a letter to Buttigieg ahead of July 4, Nicholas Calio, chief executive of Airlines for America, reiterated the industry's commitment to delivering a "safe and on-time product not only over the holiday weekend but throughout the summer." But he also laid some blame for recent problems on the national air traffic control system, noting that one carrier estimated air traffic control issues "were a factor in at least one-third of recent cancellations."

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The Federal Aviation Administration pushed back on those assertions, saying the airline industry is aware of steps the FAA has taken to address concerns.

"After receiving \$54 billion in pandemic relief to help save the airlines from mass layoffs and bankruptcy, the American people deserve to have their expectations met," the agency said in a statement. "Airlines are well aware of these measures, as their representatives sit next to FAA staff at our Command Center and participate in calls with our personnel every other hour."

Delays and cancellations are costly for carriers. Spirit Airlines lost \$50 million after delays last July and August. Meanwhile, executives at Southwest Airlines said the carrier lost \$75 million in revenue as it tried to manage through operational issues in October.

But consumer advocates, lawmakers and travelers are asking why two years after airlines began receiving infusions of cash, the system remains in disarray.

"This is really an unacceptable situation," said William McGee, senior fellow for aviation and travel at the American Economic Liberties Project, a nonprofit group focused on enforcement of antitrust regulations. "They got that big bailout with grants and loans and there was only one caveat: You need to make sure your staffing stays up. So what did airlines do? They found a loophole and they managed to encourage people to leave, which is exactly what Congress asked them not to do."

Despite pent-up demand, carriers have cut hundreds of flights from their future schedules as they seek to balance demand with staffing. Last week, United Airlines said it would cut 50 daily flights from its busy Newark hub. Last month, Delta Air Lines announced it would cut 100 daily flights between July 1 and Aug. 7 to improve reliability. The cuts are intended to reduce the number of last-minute cancellations, but also mean that when disruptions do occur, there are fewer options to accommodate travelers.

Delta announced Tuesday that it is offering a "systemwide fare difference travel waiver" for customers scheduled to fly July 1 to July 4 who want to rebook travel through July 8, saying in a news release that "some operational challenges are expected this holiday weekend." The airline said customers won't encounter fare differences or "change" fees, but would have flexibility to avoid variables that could disrupt flights.

Delta said it expects passenger volumes during the holiday weekend to be the highest of the pandemic era.

An analysis of flight schedule data by Jeff Pelletier, the managing director of Airline Data, showed the effect reductions have on available airline seats at six U.S. airports: Hartsfield-Jackson International in Atlanta, Baltimore-Washington International Marshall, Denver International, Dallas-Fort Worth International, George Bush Intercontinental in Houston and O'Hare International in Chicago. Most serve as hubs for major carriers such as Delta Air Lines, United Airlines, American Airlines and Southwest Airlines.

The analysis showed there are about 947,000 fewer seats available on flights from those airports in July and August than six weeks earlier. In Atlanta, a Delta hub, there are about 600,000 fewer seats available during those two months.

Comparing the available seats with screening data from Transportation Security Administration checkpoints offers one indication of how full flights are and how difficult it can be for airlines to accommodate passengers when flights are canceled. Each person screened by the TSA would need an average of 1.85 seats, according to Pelletier, a calculation that considers travelers who come directly to the airport and those connecting through, who are not counted by the TSA at that location.

At Hartsfield-Jackson, the nation's busiest airport, roughly 77,000 to 80,000 people are screened daily at TSA checkpoints, meaning the airport would need about 160,000 seats, on average, to accommodate travelers. According to Pelletier's calculations, there are an average of 157,000 to 180,000 seats each day, illustrating how close the margins can be.

Airlines "are squeezing their schedules as lean as they can to accommodate as many passengers as they can," Pelletier said. "But they are still playing with the math and it is not always going to be right." Fewer flights also mean customers are paying more. According to data collected for the travel industry by Adobe Analytics, the price for a domestic airline ticket has increased 47 percent since January. Airlines are rerouting passengers when they can, but that sometimes means flying into an airport miles away from their original destination.

In a statement, American said June has been difficult for the entire industry, with weather and air traffic control issues affecting some its busiest hubs. The carrier added that it is staffed to support its scheduled operations, with 12,000 more employees than last summer.

7 Strategies People Are Using to Combat High Gas Prices



Drivers got a minor reprieve after gas prices fell from their all-time high (\$4.33) earlier this year. But now that spring is here gas is getting more expensive yet again.

Gas prices rose at the fastest pace ever recorded in March, and after leveling off for a bit they began climbing again over the past few weeks. As of Monday, the average gallon of regular gas cost \$4.19, which is 7 cents more expensive than last week and \$1.29 higher than a year ago. In all likelihood, gas will stay expensive throughout the spring and summer. Naturally, drivers are looking for creative ways to save.

Gas is one of the most common purchases among Americans, and prices are often top of mind because drivers see them posted at stations everywhere they go.

Whereas inflation for many goods can sometimes sneak up on consumers, a quick rise in gas prices will rarely escape anyone's notice. That includes politicians, who have been pausing gas taxes and even considering stimulus checks for high gas prices in some states. Everyday drivers are noticing too, of course, and many are taking steps to deal with this new normal.

How people are avoiding high gas prices

There are plenty of classic strategies to help you save money on gas, including properly inflating your tires, paying with the best credit card for gas rewards and using apps to find the cheapest gas prices nearby.

You can also save by ditching the car entirely, or just committing to using it less often. Here are some of the ways people are changing their ways in light of high gas prices:

Walking and biking more

In a recent Morning Consult survey, 44% of respondents said they walked instead of driving last month because of high gas prices. Another 18% said they hopped on a bike as an alternative to driving.

Walking and biking provide healthy, affordable alternatives to sitting in a car. They're also more pleasant modes of transportation now that spring has arrived.

Going electric (scooters and cars)

Understandably, interest in electric cars and scooters, as well as battery-powered e-bikes, spiked as gas prices climbed higher and higher.

Searches for "electric cars" on Google rose steadily last year and into 2022, before hitting an all-time high in March when gas prices reached their own record highs. Shoppers searching for electric vehicles on Cars.com rose a whopping 173% from late February to late March, the company said in a press release.

Overall, car sales have been slow in early 2022 because of low inventory tied to ongoing supply chain problems, as well as extremely high prices for new and used vehicles alike. But electric cars have been hot sellers: Tesla sales were up 42% year over year in the first quarter of 2022 in the U.S. and now account for 22% of the luxury vehicle market. The hunt for e-bikes and e-scooters from brands like Bird is on the rise too, as the Wall Street Journal and others have reported.

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Using public transportation

While it's routine for gas prices to fluctuate, mass transit costs experience far fewer hikes. In other words, tickets for buses, trains, subways and light-rail systems are an even more frugal option these days.

Not surprisingly, there are some indications that people are resorting to public transportation more lately. Ridership on the Tri-Rail commuter train in South Florida hit a recent peak at almost exactly the same time that gas prices were hitting their highs in early March, local TV station WPTV reported.

Washington, D.C.'s Metro and San Francisco's BART mass transit systems have also "seen slight increases in ridership since the beginning of March," according to Marketplace.

In the same Morning Consult survey noted above, 15% of drivers said they used public transport instead of an automobile last month because of gas prices.

Filling up more often (but buying less gas)

Overall, demand for gas in the U.S. has mostly stayed the same as gas prices climbed. The amount of money that drivers have been spending on each visit to the pump has basically stayed the same as well. For drivers, this means that the average gas station fill-up pays for fewer miles on the road.

Citing an analysis from RBC Capital, **Bloomberg** reported late last month that the average American puts \$27.50 worth of gas in their car per gas station visit, regardless of how much gas costs. Naturally, when gas prices are higher, customers wind up driving away with less gas in the tank. As a result, drivers are reportedly visiting gas stations 22% more often while gas prices are over \$4 a gallon.

This may seem like a waste of time. But since gas prices have been falling steadily since mid-March, partial fill-ups can save you money — assuming that prices will be cheaper on the day you come back to add more fuel.

Taking fewer shopping trips (but buying more)

Retailers track customer foot traffic carefully, and there's plenty of research showing that people are visiting stores less often since gas prices hit record highs in 2022.

During the week of March 7, when the national average reached \$4.33 a gallon, U.S. stores saw "the most severe decline in weekly retail foot traffic over the past twelve months that wasn't directly tied to COVID waves or holiday calendar shifts," the analytics firm Placer.ai found.



Major grocery chains, like Albertson's, have noticed customers making fewer trips to the store as well. People aren't necessarily spending less on groceries, but are likely making fewer food runs and buying more with each trip instead.

Taking advantage of free gas promotions
Some restaurants and businesses are attracting customers with the promise of free gas.

Bojangles, a fast-food chain with locations primarily in the South, launched a promotion in early April giving away \$10 gas gift cards with the purchase of a family meal.

Krispy Kreme is taking an even more novel approach: Every Wednesday **through May 4**, you can get a dozen donuts for the same price as the national average for a gallon of regular gasoline. (Just over \$4 as of this writing.)

Random gas giveaways have been popping up around the country too, with churches, nonprofits, radio stations and local politicians launching short-lived free gas promotions in places like Jacksonville, Philadelphia, Chicago and Houston. Recently, the city of Chicago began sending **free gas cards** and public transit cards to eligible residents.

Canceling or changing road trips

New research shows Americans are closely monitoring gas prices, and are considering changing or canceling their travel plans if prices don't stabilize.

According to a March poll from **AAA**, 59% of drivers said they would change their driving habits if gas costs more than \$4 a gallon.

That likely means fewer road trips this summer, according to **Fitch Ratings**. In a recent note, the credit rating agency said that money collected from toll roads tends to level off with every spike in gas prices.

"High gas prices typically have the greatest effect on leisure traffic, as drivers tend to take fewer or shorter trips," the agency said.

3 Creative Ways to Reduce Wedding Costs



It is officially wedding season--especially after the novel coronavirus pushed back so many. One of the happiest events in almost any couple's lives is getting married. It's also one of the most expensive. Paying for the venue, the catering, the decorations and even the transportation can quickly add up to tens of thousands of dollars.

The cost of a wedding can cause many people to have serious doubts about whether they can put aside enough money for anything more than a modest ceremony. However, there are ways to reduce the cost of your wedding without feeling as though you're sacrificing an important aspect of your special day.

Get Married During the Off Season

People tend to get married not just during certain months, but also certain days, including October 22, May 21 and June 18. If you can pick a day for your wedding that falls outside the popular days to get married, you could end up saving a lot of money.

One of the best ways to start saving on wedding costs is by getting married on a weekday instead of a weekend. Most people try to select a weekend wedding since it's easier to fit into their schedule, which means most venues will have their weekdays free. You'll also want to look into getting married in the winter, especially January through March.

Attend Trunk Shows

According to humorist Dave Barry, spending \$2,000 on a wedding gown will get you a bunch of used handi-wipes sewn together by preschoolers. While shopping for wedding dresses isn't quite that ludicrous, it is true that a wedding dress is a huge expense.

Enter trunk shows, where bridal salons showcase a wide range of styles from a specific designer that attendees can peruse. Even more importantly, they may offer the dresses they display at a discount if you buy one at the show.

Hire Students

Wedding entertainment doesn't come cheap. If you happen to live near a college, though, you might want to see if any students from the university's music school would be willing to play your wedding. If you go this route, prepare to be amazed at all the choices you'll have, and get ready to make some student group's day. It's a great way to save money, get some quality entertainment and build up the confidence of students looking to play music professionally.

Get Creative with Your Venue

Perhaps one of the best ways to save money on a wedding is by getting creative with where you hold it. One way to save money is by holding the wedding and the reception in the same place. The venue might be willing to give you a deal for holding both events there, and at the very least you'll get rid of the cost of transporting the wedding party from one place to the other.

If you have a backyard, you might also want to consider using it for your wedding to reduce costs, especially if you want to get married in the summer. You'll want to keep an eye on the weather, of course, but it's hard to beat the appeal of holding a reception on a nice summer evening.

Bottom Line

Your wedding does not have to break the bank. There are many creative ways to celebrate your big day at a reduced cost. These days, it is more impressive to get the bang for your buck than spend tens of thousands of dollars during record inflation across the world.

All you have to do is put a little extra creative thought into it!



To Relax Outside of Work This Summer, Rethink Your Workday



One week into the official start of summer and it's looking anything but slow: Air travel is a mess, the labor market is cooling, and most people agree it's time to brace for a coming recession—all as the country reels from the Supreme Court's overturning of *Roe v. Wade*, grapples with political uncertainty from the January 6 hearings, and prepares for the midterm elections. Relaxation seems a preposterous goal.

And yet the act of taking personal time is never more essential than when the world is at its most chaotic. (As the civil-rights activist Audre Lorde once said: "Caring for myself is not self-indulgence, it is self-preservation.")

Since the pandemic began, self-care has been a buzzword, typically in conversations about how to set up boundaries and do things outside of work to achieve greater balance: clock 10,000 steps during a midday walk, read a trashy novel, take a shower or bath by candlelight. But oftentimes, the source of our most constant stress—work—needs to be dealt with rather than escaped from.

What you may really wish for when you read yet another piece of advice telling you to go for a walk: ideas for self-care that ask less of us. The way to ensure balance and advocacy of self is to weave self-care into the way we work, rather than making it an afterthought.

In that spirit, here are a half-dozen actions worth trying this summer, with an eye toward shaping the workplace into an institution that doesn't just allow for, but actively supports, employees taking care of themselves.

Update your meeting policy.

Even before Covid, 71% of senior managers in a Harvard survey said meetings are unproductive, and 65% said meetings keep them from completing their own work. But over the past couple years, meetings have ballooned: Compared to February 2020, we now spend 252% more time in meetings each week, according to Microsoft research.

But simply calling for fewer meetings isn't enough to make a sustainable difference. "Go further than encouraging employees to be efficient with their schedules. Operationalize it with policies that leverage technology" to facilitate collaboration, says Odessa Jenkins, president of Emtrain, a workplace technology and training company. Some of her recommendations: "Consider evaluating all recurring meetings and try changing 45-minute calls to 30 minutes. Require that all meetings have an agenda, and encourage the use of brainstorming models" that allow for asynchronous input and specify clear next steps in the process.

Be direct on asks.

You know those emails where you casually reach out, ask how someone's doing, then suggest connecting—and then the two, or suddenly five, of you perform a calendar dance, eventually hop on a Zoom call, and somehow weeks have gone by before you start the actual work you needed to connect for?

Do all involved a favor and stop sending those emails. Instead, try to be explicit in the initial approach about what you want.



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1. Email the exact questions you have
2. Put your ask at the end so the person knows what you want
3. Follow up in 1 week
4. Do not schedule a 1hr call"

It's okay to be direct. In fact, it's a gift that saves the other person time and effort.

Rethink wellness challenges at work.

Often these challenges, which aim to gamify employee well-being, focus on counting steps or other physical activity. At my startup URL Media, a network of Black and Brown news outlets, we recently had an internal wellness challenge in the month of May that included options like supporting a Black business and spreading kindness. Thus, we wove self-care into tasks people might already do, but assigned them new meaning and motivation. We also tried to align the challenge with our own values as a company.

Know that the same rules can't apply to everyone. Could this be the summer where we admit it's okay to treat in-person and hybrid workers differently in some respects? Self-care for the remote set might mean a standing desk, and for those coming in, it might be a happy hour or yoga on Wednesdays.

Ferring Pharmaceuticals USA just introduced a new summer Fridays program, closing its offices at 1 pm every Friday from June 3 through September 3 while adding analogous perks for workers who can't participate. "For those employees that need to work on-site, in our manufacturing facilities for instance, we've introduced Wellness Days," says Purvi Tailor, a Ferring VP and head of human resources.

"These employees receive an extra five full days off work to rest and recharge that can be used starting in June through the end of the year. Both these policies ensure that all our employees, regardless of role or location, can enjoy more time outside of work to relax and unwind."

It's okay to outsource aspects of life.

I've been thinking a lot about how loud we often get on some acts of self-care, such as going to the gym or saying no to work on weekends. But nobody tells you when they hire a home organizer for thousands of dollars to do the work they're too burned out to tackle, or spend an equivalent amount on Ubers to get their elderly parents to all the places they need to go.

There's been some progress on this front. I increasingly hear about companies extending help for employees to find summer camps or childcare, as well as some who contract vendors and services for parents of teenagers applying to college.

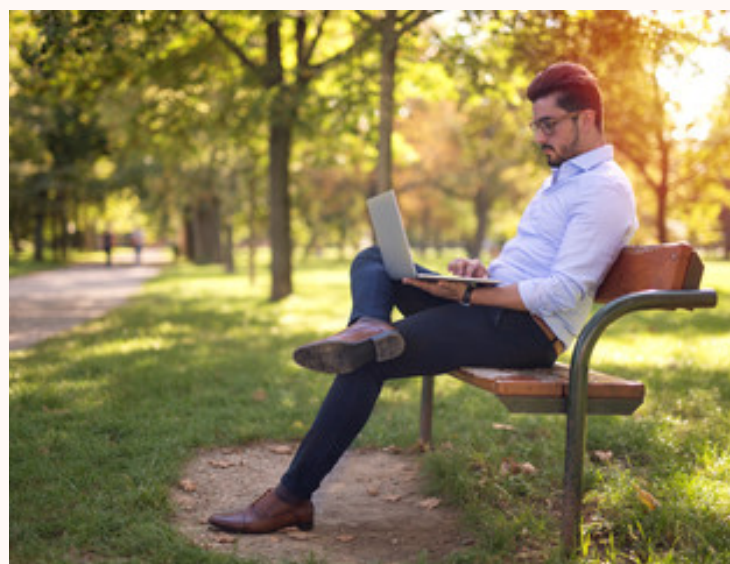
But benefits like these are hardly the norm. I wish more employers offered allowances for these critical aspects of balance, especially for women who carry more than their share of the caregiving juggle. Asking for or hiring help is a privilege, yes, but it is also an act of self-care. And it's one-way organizations can support their exhausted employees: by making that help easier to access and afford.

Add an extra layer to your communications around time off.

I recently asked Jenkins about the rise of four-day work weeks, and she encouraged being equally upfront about being unavailable and the reasons behind the extra day off. A sample message she offered: "Thank you for your email! In an effort to promote our well-being and honor a better work-life balance, we are piloting a four-day workweek to all employees. I am out of office today, but I will reply as soon as possible."

You can include your own out-of-office message often includes lists of books you're reading or columns I'm especially proud of. Crafting it is a reminder to myself, as well as those reading it, that you can do those things if and only if I grant yourself the opportunity to rest.

It's time to redefine your workday this summer!



Should You Buy Real Estate While Stocks Are Plunging? Top 3 Things to Consider

It has not been a good year for stock investors. Of course, for those with a long-term bias toward stock selection, this is a good thing: It's easier to find bargains when other investors are heading for the hills. Once-story stocks are now value stocks.

Is the same true for real estate?

Real estate prices haven't yet taken the same hit as stocks, but there are hints that it's coming. That said, I think it could still be a good time to buy real estate, as long as the following three things are true: You find values, you have plenty of reserves, and you keep a long-term perspective.

Here's a look at each factor.

1. How to find value

Value is key in both stock and real estate investing. You could find the best multifamily building ever, but if you overpay and can't even make debt payments with the cash flow, you could end up taking a loss. And after a few years of gangbusters returns in real estate, there aren't a lot of values left.

Look at cash-on-cash returns for prospective investments. Calculate what your cash flow would be from the property and divide it by the down payment. Cash-on-cash returns are similar to capitalization rates but take financing into account, so your cash-on-cash return should be higher than the cap rate. You can compare this return to the dividend yield on a real estate investment trust (REIT).

2. Keep sufficient cash reserves

A downturn in stocks doesn't necessarily mean a recession will follow, but it's good to be prepared just in case. If the stock market, inflation, supply chain problems, and worker shortages do cause some level of economic recession, you may be stuck with extended periods of vacancy.



If that happens, you need to have reserves. All real estate investments come with fixed and variable costs. Fixed costs are things like property tax and mortgage payments, and variable costs are things like property management fees and utilities. If no one is occupying your property, you won't have to pay the variable costs, but you'll still be on the hook for fixed costs.

Reserves are the business equivalent of a rainy-day fund.

3. Investing for the long term

In the stock market, it's hard to have a long-term focus. Every minute, the market is shouting a price at you. If a stock price is down 60% or even 80% in the last year, it gets really hard to stay the course.

Real estate investing just isn't as active. Maybe your neighbor who has a similar house will sell, and it's 10% less than you paid, but who cares? As long as you have good, or even no, financing, it doesn't matter. Keep the place rented to keep generating cash flow and making debt payments. If you're making payments, usually the bank doesn't care if the price goes down.

In real estate investing, building equity and making cash flow is what matters. You don't buy a rental property with the intent of selling it. You buy it to collect rents and use them to pay down the debt. If you can do that consistently, market price just doesn't matter.

Welcome one of our credit union partners!

As a nonprofit consumer education organization, ACC has developed partnerships with credit unions across the country. These partnerships allow ACC members eligibility with our credit unions. If approved, our members gain access to a member-owned financial institution, with products and services designed to make banking more affordable, simple and convenient, and to offer additional resources that can help our members identify and achieve their financial dreams.



Truliant Federal Credit Union
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Our mission is to improve lives by putting our members first. Truliant Federal Credit Union has been enhancing the quality of our member's lives since 1952.

Truliant Federal Credit Union was chartered in 1952 to serve the employees of Western Electric and was known as Radio Shops Credit Union. It began serving about 2,000 members and offered credit union services in Winston-Salem, Greensboro and Burlington. Today, Truliant serves over 280,000 members with more than 30 locations across the Carolinas and Virginia, and over \$3.5 billion in assets.

Truliant offers honest, personalized advice to make members' financial futures brighter. We exist to help members achieve their dreams – and we often do it better than the larger, national banks. Plus, we offer the latest online and mobile banking technology that lets members manage their money and busy family schedules.

Early Days

In 1946, Western Electric opened massive facilities in Winston-Salem and the Triad to produce electronics equipment. Thousands were hired, creating a need to establish credit and savings. In 1952, Fred Sarda led a group of employees to form a financial co-op to benefit workers. Radio Shops Federal Credit Union received approval for its charter at Western Electric's Chatham Road plant in Winston-Salem. It began offering membership to employees in Greensboro, Burlington and Winston-Salem. Within three months it had 1,100 members. Legend has it the credit union's money was first kept in a cigar box. It became North Carolina Works Federal Credit Union in 1954, adopting the "Works" name given to Western Electric's factory network.

Growth Mindset

By the 1960s, credit unions across the United States were in the midst of a growth spurt. Membership at North Carolina Works Federal Credit Union in 1962 grew to more than 8,000 members, as Western Electric added jobs and the "branches" in its facilities to serve members. It was big enough by 1968 to be the 96th largest federal credit union in the U.S.

Expanding Horizons

The 1970s saw years of record growth. The credit union began offering membership in Virginia, spreading its footprint beyond North Carolina for the first time. By 1975, North Carolina Works Federal Credit Union was the 42nd largest federal credit union in the U.S. Nearing the end of its third decade, it now had five locations in Western Electric facilities – with the main office at the Lexington Road plant – and twenty employees. It counted lifetime members, their families, and a growing membership outside the Triad in its almost 17,000 members. It was a firmly rooted local institution whose membership spanned generations.

Focus on the Future

As the 2020s opened, Truliant closed in on another milestone: 300,000 member-owners. The launch of the Truliant Academy training center near its headquarters further signaled a true commitment to making a difference. Further innovation continued with Truliant becoming the first credit union in North Carolina to complete a fully-electronic mortgage closing, or e-Closing, a faster and more secure way to make more members homebuyers. A planned South Carolina expansion will add several new locations. Across from Truliant's headquarters, a 150,000 square foot operations center will provide a high quality work environment for employees carrying Truliant's member focus into the future.

Always to an end of giving members just what they need, Truliant is committed to building and strengthening relationships every step of the way.

We welcome you to learn about the different ways we're working to make a difference in our communities.

Call us today at (800) 822-0382 or visit us at www.truliantfcu.org.



ACC Wrap Up

THE OFFICIAL MONTHLY NEWSLETTER OF THE AMERICAN CONSUMER COUNCIL



Green C Certification

If your company or organization would like to increase its credibility with consumers, you should consider applying for ACC's **"Green C" Certification**.

Applications for the **Summer** cycle are now being accepted through **August 31**.

It's a proven fact that consumers prefer to do business with eco-friendly companies, implement green initiatives and that practice Corporate Social Responsibility. The process is straight-forward, and all applicants are recognized by the ACC and the Green USA Institute.

All applicants should review the criteria, then complete and submit their applications to ACC's Green Consumer Council for review, assessment and feedback. Program details and the Green C Certification criteria can be viewed online at bit.ly/3d45Con.

For more information, call 1-800-544-0414 or visit ACC's website [here](#).



Friend of the Consumer

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.



Each year, ACC awards numerous "Friend of the Consumer" awards to deserving manufacturers, retailers, and other businesses that produce or sell products in the United States, and which meet or exceed federally mandated standards, and have "demonstrated a commitment to American consumers by providing products or services that foster consumer confidence and market acceptance."

To apply, complete the online application at: www.americanconsumercouncil.org/awards.asp and return it to ACC with the application fee.

Applicants will be notified within five 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 your submission.



Financial Education

ACC is honored to have a partnership with Nicole Middendorf. Nicole is a money maven, a knowledge junkie, and a born coach. She is an entrepreneur who left Morgan Stanley in 2003 to run her own wealth management firm. Nicole is the author of five books, a world traveler, philanthropist, and an accomplished public speaker.

As a Wealth Advisor and Certified Divorce Financial Analyst with Prosperwell Financial, her main focus is to help people create wealth from the inside out. She is able to accomplish this through one-on-one client meetings, writing books, presenting at conferences, and appearing on TV, radio, and other media.

Nicole shares financial advice and a real-life perspective on saving, planning, and investing with audiences across the country. Her primary goal is to take complicated subjects and make them easy to understand. She works hard to empower her audience to make crucial and positive changes in their own lives. Nicole's books have received local and national press coverage, where she has become known for her thoughtful concise quotes, relaxed on-air presence, and articulate delivery.

The world needs more people to be financially savvy and wholly independent. Nicole's goal is to be the one who supports them on all levels and helps them find financial happiness.



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