

Consumer News & Views

Published twice monthly

May 1, 2014



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Consumer Confidence Sluggish as Spring Begins. The Conference Board Consumer Confidence Index®, which had increased in March, declined slightly in April. The Index now stands at 82.3 (1985=100), down from 83.9 in March. Consumer spending accounts for about 40% of the economic activity and 70% of America's overall economic growth; and, investors watch this to gauge how the economy is holding up.



"Consumer confidence declined slightly in April as consumers assessed current business and labor market conditions less favorably than in March," said Lynn Franco, Director of Economic Indicators at The Conference Board. "However, their expectations regarding the short-term outlook for the economy and labor market held steady. Thus, while sentiment regarding current conditions may have slipped a bit, consumers do not foresee the economy, or the labor market, losing the momentum that has been building."

Thomas Hinton, president of the American Consumer Council, suggested that while the overall American economy continues to inch forward, most consumers are not comfortable with their economic future. Hinton noted, "Yes, the economy is improving. But it does so at a snail's pace as far as consumers are concerned. Too many consumers are still living one paycheck to the next. There are few signs of robust expansion, and therefore, consumers will continue to fret over job security while trying to save money."

Will the American Economy Thaw Out This Spring? There is much hope in Washington that the American economy will emerge from its deep winter freeze this spring with a roar! There's no question the winter of 2013-2014 took a severe toll on the American economy and stalled our growth and recovery.

But AP economic writers Paul Wiseman and Josh Boak believe hope springs eternal. After analyzing a recent batch of government and business reports, the two writers believe the U.S. economy is ready for a strong growth spurt this spring. Before the recent rash of winter storms buried any hope of consistent economic growth, economists had expected the U.S. economy to accelerate in 2014 after two years of slow and steady improvement. But, according to Wiseman and Boak, "An unusually bitter winter sent factories, hiring and consumer spending into hibernation.

"Now, as temperatures rise, the economy is regaining momentum. Factories are busier. Consumers are spending more. Banks are making more loans to businesses. Companies have bigger plans to invest in plants and equipment. And the improvement appears to be widespread across the country."

The American Consumer Council (ACC), which tracks consumer performance for its 145,000 members across the nation, recently issued a statement forecasting stronger than usual consumer spending between May and August. However, the non-profit consumer education organization also cautioned that "consumers remain leery of their near-term economic future because of steep costs for college education and no clear picture that job security and economic growth is here to stay."



Nevertheless, many economists feel as though the U.S. economy has fully recovered from the devastating Great Recession of 2008-2012. "That may be true," says Thomas Hinton, president of the American Consumer Council. "But, the fact remains that consumers – who account for over 70 percent of economic growth in this country – are not fully convinced that good times are back."

Consumers sense the warm weather and pent-up demand for autos and housing may be a short-term trend. While the American Consumer Council believes consumers will increase their spending during the 2014 spring and summer months, too much depends on other factors beyond their control. Hinton cited such factors as "raising the minimum wage, expanding factory orders and a return to normalcy in terms of steady job growth and other traditional reliability factors."

Among the ACC's economic concerns is the high rate of unemployment. Hinton noted, "Although the Great Recession ended nearly two years ago for most consumers, unemployment remains high at 6.7 percent, and 3.7 million Americans have been out of work for six months or more. This is a nagging problem that government and business need to fix sooner rather than later."

Are Airfares More Transparent Now? "Not Even Close!" Says the American Consumer Council. Consumers continue to ask, "Are airfares more transparent now that we have a Passenger Bill of Rights?" According to the American Consumer Council, a non-profit consumer education organization with 145,000 members, the official answer is: "Not even close!"

What's the problem? Why aren't airlines being more forthright with consumers? Thomas Hinton, president of the American Consumer Council, says a big part of the problem is Congress. "They want it both ways," Hinton says. "Congress created all these taxes on airline tickets, passed disclosure laws, and now consumers are squawking at how high the taxes are to fly across country or from the USA to Europe. "The taxes are outrageous," notes Hinton, who is a frequent flyer and squawks the loudest about the high taxes. "For many flights, the taxes are equal to or greater than the cost of an airline ticket. That's unfair and Congress needs to address the problem."

Reporter Laura Litvan of Bloomberg News, writes that "airlines have found new allies in their fight against a requirement that they include U.S. taxes and fees in their advertised fares." She notes that every member of a congressional panel overseeing the agency that created the rule now supports stripping the taxes out of the requirement.



Without hearings or debate, the House Transportation and Infrastructure Committee unanimously approved a bill on April 9th that would let airlines resume their former practice of most prominently featuring base fares, rather than the total price. Taxes, baggage fees and other costs that can make up a substantial portion of what consumers pay can be displayed through links or pop-ups.

Consumer groups including the American Consumer Council say the "Transparent Airfares Act" would accomplish the opposite, enabling bait-and-switch advertising and making comparison shopping on websites almost impossible. To the groups' surprise, Democrats on the House panel who usually support legislation they favor voted for the measure.

"Right now prices are more transparent than they've ever been," said Charlie Leocha, director of the consumer group Travelers United. "The price you see in an ad is the price you're going to pay for a ticket. The airlines have managed to push this thing through. They've got a lot of clout, especially with Congress."

"This is nothing more than a smokescreen so Congress can hide behind the fact that they are responsible for all the heavy taxes, surcharges and other fees passengers must pay when they buy an airline ticket," says Hinton of the American Consumer Council. "The ultimate solution is to reduce the taxes and fees so passengers are not be punished for travel," he added.

"On its face, full-fare advertising sounds as though it is protecting the consumer, when in reality it is protecting the government, enabling spikes in taxes to be hidden and buried within the price of a ticket," said Vaughn Jennings, a spokesman for the trade group, which includes American Airlines Group Inc. (AAL) and Southwest Airlines Co. (LUV)The group says U.S. taxes now make up 21 percent of a typical \$300 round-trip domestic ticket.

ACC Opens Pennsylvania Offices in Response to Consumer Membership Growth. As a result of significant membership growth across Pennsylvania, the American Consumer Council recently established two new regional offices to serve its growing membership. The Northeastern Pennsylvania office was established in March in the Scranton/Wilkes-Barre region. ACC's new regional office is located at 730 Main Street, Suite 101-A, Moosic, PA 18507 in the law office building of Caputo & Mariotti.

ACC also established a regional office east of Pittsburgh in East Monroeville to serve new consumer members in the Johnstown-Altoona-Pittsburgh region. That office is located at: 201 Penn Center Boulevard, Suite 400, Pittsburgh, Pennsylvania, 15235



Consumers may contact ACC at 1-800-544-0414 or info@americanconsumercouncil.org for more information. Each physical ACC office will be staffed by a regional director, membership coordinator and educational coordinator.



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American Consumer Council Announces Two Nominees to Serve on Board of Directors. Two members of the American Consumer Council (ACC) will be elected at ACC's annual meeting on Friday, June 13, in San Diego. The qualified individuals are **Barbara Yager**, an attorney in Madison, Connecticut, and **Edward McHale**, an attorney in West Palm Beach, Florida. Candidates for the ACC Board of Directors completed a written document stating their qualifications and intentions to serve on the Board. The document was submitted to ACC's national headquarters by April 4th and witnessed by a second member of the organization.



ACC also invites member representation for its eight standing committees – Education; Sponsorship; Advocacy & Consumerism; Member Services; Regional & State Councils; Marketing; Regulatory & Government Affairs; and, Awards & Recognition.

Any member who wishes to serve on one of ACC's eight standing committees may do so by sending a statement describing their interest and qualifications. Appointments are announced on a regular basis. Officers of credit unions and regulatory officials and their agents are not eligible for service in keeping with ACC's policies relating to conflicts-of-interest.



Transamerica Financial Solutions Group serves the financial institution market with loan protection products, reinsurance solutions and related services. Our mission is to market the industry's most innovative insurance programs and deliver effective marketing, professional training and support to help our partners maximize profitability while reducing costs and improving service.

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Transamerica has an outstanding track record of supporting credit unions and other financial institutions. Transamerica is also a corporate sponsor of the American Consumer Council.

For more information, please contact Transamerica Vice President Tom Kazar at:

http://www.transamericafinancialsolutions.com/contact_us.html



ACC Annual Meeting Scheduled for Friday, June 13. The annual meeting of the American Consumer Council will be held at the Hilton Hotel Torrey Pines in San Diego, California on Friday, June 21, 2013 at 10:00 am PST. All voting members are invited to participate in the annual business meeting. There is no cost to attend the meeting.

To register to participate at this year's annual meeting, please email the ACC office. If you wish to participate via the teleconference, please request the password for access to the conference call at: info@americanconsumercouncil.org.

The annual meeting will discuss business matters pertinent to the management and operations of the American Consumer Council including the election of two new directors to the board of directors, and review activities and issues during the past 12 months..

Green CSM Certification Accepting Applications for 2014 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 2014 Summer cycle are now being accepted through May 30, 2014.

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>

