

Consumer News & Views



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In this Issue...

- **Will Consumers Spend More or Less this Holiday Season?**
- **Baby Boomers Continue to Work Long After Retirement Age.**
- **La Loma Federal Credit Union Serves Inland Empire Consumers.**
- **ARC Federal Credit Union Offers Low Rates for Pennsylvania Students and Consumers!**
- **Fed will Conduct 4th Stress Test on Banks**
- **Apply for the 2011 Green CSM Certification Program.**

Will Consumers Spend More or Less this Holiday Season? As the traditional holiday shopping season rapidly approaches, retailers are trying to determine whether or not consumer will increase their gift spending in the next 6 weeks. A recent survey by participating members of the American Consumer Council, a non-profit consumer education organization with 117,000 members, indicates that consumer spending for the holidays will remain the same as 2010. Why?



Here are the key reasons according to ACC's president Thomas Hinton:

1. **Consumers have not seen enough positive signs** in the past 10 months to loosen their purse strings. The big issues – Unemployment, Battered 401Ks and Deflated Home Values – have largely gone unresolved. With the European Financial Mess there's real concern that more hard times are in store for 2012.
2. **Wages Remain Flat.** While consumers have made purchases for necessary items, they are not spending what they don't have. Wages have been flat and the cost of living has risen. This means consumers have less money to spend on holiday gifts.
3. **Although Retailers Have Reduced Prices and Offered Sales, Consumers are not Buying.** Despite lucrative sales by retailers and some real bargains, consumers aren't biting just yet. This sluggish spending has not gone unnoticed among large retailers where there's been very little growth with retail stocks in 2011. Looking ahead, Macy's and Wal-Mart are forecasting a meager 5% gain in 2012 which tells us that consumers don't have much faith in a strong economic rebound during this holiday season or well into 2012. That's not good news for retailers who rely on the Christmas holidays for 40% of their sales.
4. **Consumers are not Buying the Big-Ticket Items.** Televisions and other big-ticket consumer items just aren't selling. While the iPhone and a few other hot ticket items are flying off the shelf, most consumer households are doing without this holiday season. Unless prices drop dramatically, electronics and even household appliances will not be selling this Christmas.
5. **Retailers are not Hiring Seasonal Workers in Big Numbers.** While there is some upward movement in the hiring of seasonal employees by retailers, it's not enough to impress the stock market or economists. Sure, FedEx is hiring some 20,000 seasonal workers and UPS is building up its holiday workforce, but the average "mom n' pop" retailers, who traditionally add a million or more seasonal jobs for students and low-income earners who want a second job to make ends meet, just aren't hiring in big numbers. In 2010, some 627,600 holiday positions were added according to consulting firm Challenger Gray & Christmas. For 2011, the forecast is at best about the same, but it could possibly be lower than 2010.

Hinton noted, "As long as consumers continue to see a jittery stock market and more bad news about the fragile European economy, they will remain on the sidelines and keep their wallets and pocketbooks closed. You cannot expect consumers to ignore the volatility on Wall Street and Europe, the collapsing housing market, the lack of jobs and the political stalemate in Washington – and go out and spend money frivolously. It's just not going to happen."

Baby Boomers Working Long After Retirement Age. The Associated Press conducted a poll recently that reveals Baby Boomers will be working long after their desired retirement age. The Associated Press writes: So much for kicking back at the lake house, long afternoons of golf or pretty much anything baby boomers had dreamed about in retirement. For many, the plan now calls for logging more hours at the office and renewed worries about money, according to a new poll.



Susan Webb stands in the living room of her West Liberty, Iowa, home, Wednesday, Nov. 9, 2011. Webb, 63, one of 77 million baby boomers, had long hoped to retire at 65 from her job as a real estate broker. Not anymore. *Photo by Charlie Neibergall, AP*

The Associated Press-LifeGoesStrong.com poll found a baby boom generation planning to work into retirement years — with 73% planning to work past retirement, up from 67% this spring. A majority of boomers also are shaky about their retirement nest eggs.

In all, 53% of boomers polled said they do not feel confident they'll be able to afford a comfortable retirement. That's up from 44% who were concerned about retirement finances in March. "I'm not confident at all," says 63-year-old Susan Webb of West Liberty, Iowa.

Webb — one of the 77 million boomers born between 1946 and 1964 — had long hoped to retire at 65 from her job as a real estate broker. Not anymore, not since the economic downturn that led to depressed housing prices, wild stock market swings and an unemployment rate hovering at or above 9% for all but two months since May 2009.

Webb and her husband, who's 67, are both still working full time. They hope to ratchet back to part time at some point, but plans for a scenic lake house where they can go fishing and spend time with their two grandchildren will likely mean selling their current home — not part of the original plan.

In the poll, 41% of boomers said they are expecting to have to scale back their lifestyle in some way in retirement and 31% believe they will struggle financially. Retirement expert Olivia Mitchell says working longer and cutting back are two practical ways for boomers to save more.

"It's a kind of downscaled consumer society that I see in the next five years at least," said Mitchell, a professor at the University of Pennsylvania's Wharton School and executive director of the Pension Research Council. "Consume less and tighten the belt."

The span between the two AP-LifeGoesStrong.com polls coincided with a 10% drop in the Dow Jones industrial average, which recovered most of those losses by climbing this week to above 12,000 before plunging again Wednesday amid concerns about Europe's debt crisis.



La Loma Federal Credit Union is an outstanding federal credit union located in Loma Linda, CA. Typically referred to as a “cooperative,” La Loma FCU is owned and operated by its members.

LLFCU is governed by a Board of Directors that establishes and reviews policy. The Directors are Credit Union members who are elected by the Membership and serve without pay. Every member has one vote, regardless of how much he or she had on deposit. At the Credit Union, there is no select group of shareholders that profits more than anyone else. All Members profit -- individually and collectively. Loma Linda FCU has branches in Loma Linda and La Sierra.

LLFCU has over \$60 million in assets and its mission is to provide quality and fairly-priced financial services for the Community. For more information please visit: www.llfcu.org.



ARC Federal Credit Union was chartered in 1956 to serve the parishioners of Sacred Heart Parish in Altoona PA. Today ARC has expanded its field of membership to serve members of every Catholic parish in Blair and Huntingdon County, as well as members of the *Pennsylvania Consumer Council* throughout the Altoona region.

ARC Federal Credit Union is here to serve you, the member. We exist to provide services to better your financial situation, not ARC's. As a non-profit financial institution, we return all of our "profits" to our members in the form of lower loan rates, higher savings rates, or lower fees.

ARC Federal Credit Union is committed to providing quality financial services and satisfaction to our members. We deliver these services with a devotion to maintaining strong personal relationships while helping our members achieve their personal financial goals.

To join ARC FCU, please email us at: memberhelp@arcfcu.org or visit our website at: <http://www.arcfcu.org/arcfcu/Membership.asp>.



Fed will Conduct 4th Stress Test on Banks. Federal Reserve Board vice chairman Janet Yellen announced that the Federal Reserve will conduct a fourth round of stress tests in the coming weeks to determine if U.S. banks can withstand a recession. Yellen said the tests are necessary to ensure a stable U.S. economy. Yellen also noted the increased downside risks that Europe's debt crisis poses to financial markets and the global economy.

"We are monitoring European developments very closely, and we will continue to do all that we can to mitigate the consequence of any adverse developments abroad on the U.S. financial system," she said.



The Fed oversees Wall Street's biggest banks, including Citigroup, Bank of America, JPMorgan Chase & Co., and Wells Fargo. The Fed has performed periodic stress tests on the 19 banks it watches since 2009. The Fed said the stress tests are a key part in its ongoing efforts to make sure that banks — and the entire financial system — are stable. Banks that don't pass the stress tests are asked to take steps to raise new capital in case of big losses. Previous tests were done in 2009, 2010 and earlier this year.

2011 Green CSM Certification Accepting Applications for 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 2011 fall cycle are now being accepted through November 30, 2011.

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: www.americanconsumercouncil.org/green



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

To become a member of the American Consumer Council, visit us at: www.americanconsumercouncil.org