Consumer News & Views

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Black Friday Losing Its Luster as Consumers Shop Early. As Thanksgiving Day approaches, more retailers are lining up to tempt consumers with "door-buster" sales a full two weeks before the popular family gathering day. It's one more way to lure consumers to spend money before the traditional "Black Friday" sales.

Interestingly, consumers like the idea of not waiting until the day after Thanksgiving to start their holiday shopping. In fact, the National Retail Federation, estimates 15% of shoppers will complete their holiday shopping before "Black Friday" even starts.

In the never-ending race to stay ahead of the competition, retailers are rolling out deeper discounts earlier. This has many analysts and retail experts wondering if Black Friday has lost its luster. Target, Walmart, Amazon, Kohl's, Toys R Us, Sears and Staples are all planning pre-Black Friday sales, some of which have already started.

Online prices will hit their lowest point on Thanksgiving with an average discount of 24%, according to Adobe. That beats any other day of the holiday season. Prices will still be an average of 20% off the week leading up to Thanksgiving, and online and in-store prices are generally expected to match, other than with store-specific Black Friday promotions, Adobe says.

“The growing popularity of online shopping is the primary reason retailers are opening their doors early this holiday season and lowering prices. They’re simply trying to stay competitive and relevant,” says Thomas Hinton of the American Consumer Council.” He added, “Young consumers would rather be home on the holidays with their families than waiting in long lines for hours just to save $25 or $50 on a specialty item.”

Walmart's Chief Merchandising Officer Duncan Mac Naughton echoed this sentiment in a recent interview. "Black Friday is no longer about waking up at the crack of dawn to stand in long lines and hope for the best," he said about the company's holiday plans. This is why Walmart has lowered prices and offered longer hours for many of its holiday shoppers.

Americans Are Losing Trust in Their Banks as Credit Unions Score Higher. By Bill Hardekopf

Half of American adults say they have lost trust in their banks over the last few years, according to a recent Harris Poll. By comparison, 49% of the respondents said their trust in credit unions has remained the same in recent years.

Banks were not the only institutions to receive a low rating in the poll. Americans also reported losing trust in Wall Street and mortgage lenders, both seeing a 57% decline.
One out of 13 households are unbanked, based on a 2013 study by the FDIC. This equates to nearly 10 million households.

There are several factors that determine how likely Americans are to trust a financial institution. 66% of poll participants said personal experience is the most important factor, while 56% said they looked at the quality of customer care, quality of products and services, or money charged in fees.

Local banks and credit unions with a smaller area of influence have higher trust levels than nationwide financial institutions. Over three-quarters of those surveyed reported a great deal of trust for local credit unions, while 70% said the same for local branches of a regional bank. Only 50% of Americans trust large national banks.

Online-only banks are fighting a battle in establishing trust with a majority of Americans. Only 39% of the respondents have any trust with online-only banks. Not surprisingly, Millennials and Gen X’ers (42%) have more trust in these institutions than older adults (30%). In addition, consumers in the East and West are more likely to trust online-only banks than respondents in the South or Midwest.

The poll surveyed 2,537 Americans from August 13-18, 2014.

***Bill Hardekopf** has been the chief executive officer of Lowcards.com for the past 12 years. LowCards.com is a free consumer resource website that covers the credit card industry from every perspective and is the only site that provides data on all 1,000+ cards available in America.*

Consumers Seeking More Financial Education as Money Issues Get Complicated. As the American Consumer Council prepares to launch its 2015 Financial Wellness series, a recent survey by the Harris Poll supports claims that consumers are seeking more financial education and understanding about money-related issues.

Some of the key findings in the Harris Poll reveal the following:

- About 2 out of five U.S. adults (39%) say they have a budget and keep close tabs of their spending.
- The proportion of American adults who are spending less compared to the previous year has continued to decline since 2009 (from 59% to 29%).
- The proportion of Americans who have non-retirement savings has decreased slightly from 69% in 2013 to 66% in 2014.
- When it comes to retirement savings, about one in three U.S. adults (32%) still do not save any portion of their household's annual income. In fact, when asked what areas of personal finance are most worrisome, the top responses were: insufficient "rainy day" savings for an emergency (16%), and retiring without having enough money set aside (16%).

- About one in three U.S. adults (34%) indicated their household carries credit card debt from month to month –a proportion that has steadily declined since 2009 when this question was first asked (44% 2009 to 37% 2013).
- Fifteen percent of adults – or more than 35 million people – roll over $2,500 or more in credit card each month.
- In 2014, about three in five U.S. adults (59%) –roughly the same proportion as last year (60%) –give themselves a grade of A or B on their knowledge of personal finance. At the same time, however, nearly three in four adults (73%) agree –and one in five 20%) strongly agree –that they could benefit from advice and answers to everyday financial questions from a professional.
- If they were having financial problems related to debt, U.S. adults continue to say they would first turn to their friends and family for help (25%). When asked why they would not reach out to a professional non-profit credit counseling agency for help if they were having financial problems related to debt, about one in four adults (24%) say they can resolve their own problems without outside help, while more than one in four (27%) –or more than 63 million Americans2–indicated that they would reach out to a professional non-profit credit counseling agency for help.
- As in 2013, most adults have not reviewed their credit score (60%) or their credit report (65%) within the past 12 months –more than half (54%) reviewed neither, while about three in ten (29%) reviewed both. U.S. adults are more likely to have reviewed their credit score but not their credit report (11%) than they are to have reviewed their credit report but not their credit score (7%).
- Among those who ordered their credit report(s) in the past 12 months, exactly half (50%) did so because it was free, a sentiment echoed by those who ordered or received their credit score (also 50%)
- More than two in five (44%) say they review their credit report(s) regularly as part of managing their personal finances (33% of those who ordered or received their credit score in the past 12 months said the same about their credit score)
- Nearly two in five (37%) ordered their report(s) because they were curious(32% of those who ordered or received their credit score in the past 12 months said the same about their credit score)
- Among those who did no to rder their credit report(s) in the past 12 months, more than one in four (27%) say they didn't know of any reason why they should, while nearly one in four (23%) say they already knew their credit score(s) so they didn't think they needed their credit report(s).
- About one in five U.S. adults (21%) are not at all sure about what types of information are typically included on a standard credit report, and many have misconceptions about, or are unaware of, the specific types of information that a credit report would contain – for example:
- More than half of adults (54%) mistakenly believe that their credit score(s) are included on a standard credit report.
- Only 61% are aware (i.e., 39% are not aware) that their full legal name appears on their credit report.
- While 59% know that their credit report would contain their current address, only 44% know that previous addresses are also included.
- Only about half of adults know that their Social Security number (49%) and date of birth (48%) are included on their credit report(s).

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If your company or organization would like to increase its credibility with consumers, you should consider applying for the **Green C℠ Certification**. Applications for the 2014 Fall cycle are now being accepted through December 15, 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 C℠ Certification** criteria can be viewed at ACC's website located at: http://americanconsumercouncil.org/greenc.asp