Consumer News & Views

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Consumer Confidence Drops in October Amid Consumer Concerns. The Conference Board ***Consumer Confidence Index®***, which had increased moderately in September, declined in October. The Index now stands at 97.6 (1985=100), down from 102.6 in September.

"Consumer confidence declined in October, following September's modest gain," said Lynn Franco, Director of Economic Indicators at The Conference Board. "Consumers were less positive in their assessment of present-day conditions, in particular the job market, and were moderately less optimistic about the short-term outlook. Despite the decline, consumers still rate current conditions favorably, but they do not anticipate the economy strengthening much in the near-term."

Consumers' appraisal of current conditions was somewhat less positive in October. Those saying business conditions are "good" decreased from 28.1 percent to 26.5 percent, while those claiming business conditions are "bad" increased from 16.4 percent to 18.3 percent. Consumers were also less upbeat about the job market. Those stating jobs are "plentiful" decreased from 24.8 percent to 22.2 percent, while those claiming jobs are “hard to get” edged up to 25.8 percent from 24.9 percent.

Consumers’ optimism about the short-term outlook was more subdued in October. The percentage of consumers expecting business conditions to improve over the next six months was unchanged at 18.1 percent, while those expecting business conditions to worsen inched up to 10.6 percent from 10.4 percent.

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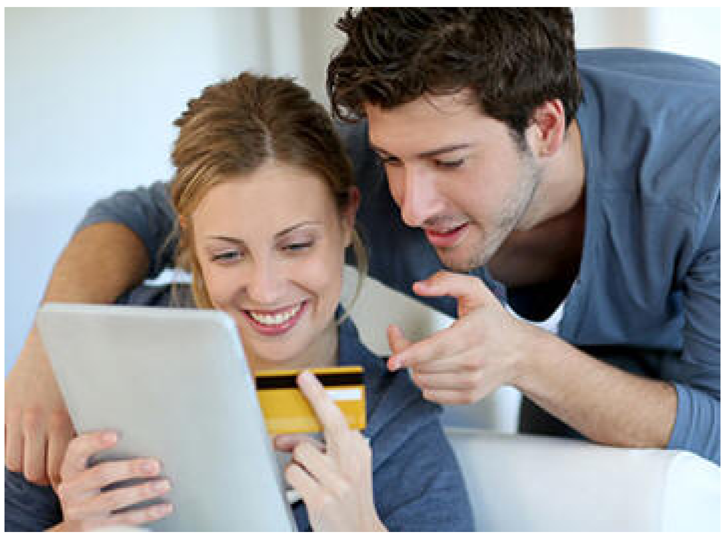
12 Things Financially Successful Consumers Do Differently. What would financial success look like for you? Certainly, everyone has a different definition. For me, it's not about having more money than I know what to do with. It's about making wise decisions with the money that I have.

It's not all about pinching pennies, although, there is a place for managing expenses and keeping them to a minimum. It definitely involves entrepreneurship and generating multiple streams of income. Not so that I can be rich, but that I can give more, provide for my loved ones, and create more freedom and time to do the things that interest me the most.

If that definition of financial success relates to you, consider these 12 things you can bet financially successful people are doing differently than the “average Joe.”



1. Have an eye for entrepreneurship. Financially successful people don't just think about how to manage expenses are cut them back when times are tough. They think about ways to increase their income. They are constantly on the look-out for new ideas that will allow them to leverage their skills and abilities to generate additional income.

For them, there are two parts of a budget. Expenses and income.

People often just focus on spending and expenses when there is a world of opportunity out there to increase the income side to not only meet expenses, but support their long-term goals and plans. You don't have to think big in this area or come up with the next product on "Shark Tank."

Instead, think about ways you could generate an extra $500 a month. How about a $1,000? You get the idea.

2. Assemble a team of experts. I constantly hear about how successful people surround themselves with the right people to support them in what they are doing. Personal finance is no different. Who said it had to all be personal, anyway?

Successful people have identified where they are experts and where they aren't. Most people will find that at some point in their lifetime they need a good family or business lawyer, accountant, financial counselor (short-term decisions, budgeting, debt management, etc.) and financial adviser (long-term decisions, retirement planning, etc.) to help them along the way.

Seek out these people now so you don't have to hunt for them later. Aside from the lawyer, the other three subject matter experts are people you'll want to meet with several times a year.

3. Minimize taxes. Financially successful people look to minimize their tax burden in order for them to get the most out of their money and investments.

How do they do this? As I mentioned above, they have a certified public accountant on their team so they don't miss applicable deductions when it's time to file their taxes.

They also invest pre-tax dollars in tools such as a company 401(k) up to the employer match. They also invest after tax dollars in a Roth IRA to avoid paying taxes on their earnings in the future.

It's always better to pay taxes on today's dollar versus tomorrow's income. At the end of the day, taxes are every American's responsibility, but there is nothing wrong with taking advantage of tax benefits to the degree the law allows.

4. Never stop educating themselves. Walk into the house of the financially successful and you'll perhaps find the latest issue of Money magazine, Entrepreneur and some financial staples, such as Dave Ramsey's "Total Money Makeover," anchoring down their book library.

That's not to say that they spend all their time reading, rather they stay informed on the latest tips and ideas and seek to be inspired by others in the financial and business industries.

Even the most financially successful know that there is plenty to be learned from others and life's journey always demands new strategies and ideas.

5. Build wealth. Building wealth is a top priority in their plans and it's done with steady plodding over time, not overnight. The financially successful seek to maximize retirement investments via their 401(k)'s (up to employer matching) and Roth IRA's, but go further in creating assets that appreciate in value.

Such assets come in the form of businesses or real estate that can eventually be sold or can generate monthly income to support them later in life, or even replace the need of working for another employer in a full-time capacity. Time is extremely valuable and the investment in assets, which may require work upfront, creates free time once it grows in value and produces passive income.

6. Don't deprive themselves. While making wise business and financial decisions is core to their nature, they don't deprive themselves of having fun. Doing so would only create more of a tendency to spend money later in life. That's why they make the most of the journey, budgeting for family vacations, date nights and time with their family.

While these seem like expenses on the surface, they can also be viewed as investments targeted toward their most valued relationships. They also know that it's important to celebrate accomplishments along the way so they can be recharged to accomplish their next business or financial goals.

7. Set goals. And speaking of goals, the financially successful have them. Who needs goals? You do if you have dreams and aspirations you want to accomplish in life. Interested in replacing your day job with a small business or generate passive income while you sleep?

Doing so requires a plan and setting SMART goals (specific, measurable, achievable, realistic and time-bound) to keep you moving. Otherwise, you'll squander time and just tell yourself you'll get to it tomorrow.

Setting SMART goals works for their personal finance goals too. Such financial goals help with saving more money and managing spending month to month.

8. Reinvent themselves. The financially successful know that things change with time and you can't always stick to yesterday's goals and plans. New opportunities arise all the time whether it be in business or in the tools used to manage their finances.

The last few years have seen a big movement in Cloud technology and how people can now manage their finances online with applications such as Mint, Ready for Zero, Betterment, Credit Karma (for credit scores) and many more.

There is information at our fingertips and the ability to access it anywhere, anytime. From a business standpoint, social media is here today, but what will it look like tomorrow and what business opportunities will the financially successful capitalize on in the future?

9. Help others. Financial success isn't always about looking in the mirror. It's about knowing what's within and the most successful know that acquiring money can't be the top priority in life. Putting money first tears apart relationships and the race to acquire more can never be won.

The financially successful keep money in its proper place by giving it away. Yes, they make giving their top priority. They give to their house of worship or favorite charity, as well as look to help others.

10. Avoid personal debt. Debt is the number one thing that robs people from time and freedom. Why? It requires time to work to generate income and make the payments. Sometimes that requires overtime work!

Brearin Land, financial adviser and CEO of Irvine Wealth Management adds, "Being weighed down by debt puts a damper on a family's ability to meet their retirement goals down the road. Don't pass the buck to yourself. Staying out of debt allows you to buy life's most important asset when you need it most -- time."

Without debt, you have a lot more flexibility and most importantly, get back the time to invest in wealth building activities such as starting a business or in creating products and services to sell. The financially successful know that personal debt is a hindrance and they do everything they can to avoid it.

11. Leverage Your Debt with OPM. While personal debt might be hindrance, the right kind of debt could give your business the edge it needs. Jude Wilson, financial strategist and founder of Wilson Group Financial, says:

"Many financially successful clients I work with view the use of debt very strategically. Their focus is, "how can I use "other people's money" to enhance my business opportunities. This is in stark contrast to the way many see debt, as a way to satisfy more immediate desires, like that next grand vacation or a means to purchasing that dream mac-mansion."

Financially successful people see debt as a tool to purchase or own a greater percentage of an investment -- that if successful, could result in earning far more than the interest on the loan. Of course there are those of us who use debt irresponsibly and others who view debt as something to be avoided at all costs, but the financially savvy relish the chance to leverage debt to maximize returns.

12. They have persistence. Finally, you will never be successful unless you have persistence. This characteristic is never been more important when striving to attain financial goals, overcome obstacles and certainly, in growing a business into the black.

The financial successful are persistent and don't give up when the little voice inside says to do so, or when naysayers try to hold them back. Persistence pays off debt, increases retirement savings one percent at a time and continues to create and market products when you don't think anyone is listening.

There you have it. 12 things financially successful people do differently. They sound simple on the surface, but how many people in your life do you consider to be financially successful?

Not everyone has the discipline and persistence required. Think about the people in your life you'd like to model after and consider how they live out these 12 things.

Invite them to coffee or dinner and talk about their success, these 11 characteristics and perhaps learn more things you can add to the list.

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8 Mistakes that Keep You from Financial Success. It's too easy to come up with excuses for not saving enough money and getting ahead financially. You don't earn enough. Your student loan debt is suffocating. You need new clothes. Your furniture is old. Your kids are expensive. And the list goes on. But unless you're going to inherit millions of dollars, it's probably best that you start making financial choices today that will bring you the financial security you deserve.

Here are eight common excuses that are keeping you from financial success. If these sound familiar, it's time to make a change.

1. I Can't Afford to Save. It's not uncommon for people to believe that they don't make enough money to put a portion into savings. Even some workers at generous income levels feel this way.

“The culprit behind this excuse is usually lifestyle inflation,” said David Melnyk, a financial planner with Verus Wealth Management. “As someone earns more, they often feel they are able to spend more. Spending money on things that make your life fulfilling is totally necessary and important to do, but make sure you aren't cashing out your dreams and goals in the process.”

To combat the slow creep of living expenses, craft a budget that will help you to save and stay on track.

2. I Can Always Save Later. It's easier and more appealing to live for today and not worry about tomorrow. And it's one of the biggest reasons many people fail to take action and save. Jason Hull, a certified financial planner who blogs on myFinancialAnswers.com, offered a powerful antidote for that line of thinking.

"Imagine your future self as if you were watching a movie," he said. "Think about the potential negative outcomes, like having to retire early because of a disability, and watch the movie of your future self-based on what you're doing now. This will help (you) think of that future self as a family member and make (you) want to do something about it. We need to convince (our present selves) that our future selves are both important and fallible."

3. It's Too Complicated. "If you are not sure how to begin, start by investing a small amount from each paycheck into the target date fund that corresponds with your future retirement date in your company's 401k plan," said Lawrence Solomon, director of investments and financial planning at OptiFour Integrated Wealth Management.

"If you want to invest on your own outside of a 401k, start with a simple broad stock index fund that tracks the Standard &Poor 500," he said. "Index funds have very low costs, are extremely tax-efficient and can be purchased with low minimum initial investments. With investing, simpler is usually better."

Two of the most important tenets of successful investing are also the most simple: Set aside savings consistently and get started. There's no need to be paralyzed by indecision. Low-cost index funds that track market performance consistently perform well over the long term, said Solomon. Warren Buffett also advises investors to hit up these funds.

Of course, there are no guarantees and past performance is not indicative of future success.

4. I Just Need to Get This Out of the Way. Whatever "this" is — graduate school, a wedding or something else — it's keeping you from a sound financial future.

To put the brakes on this kind of procrastination, Trevor Ewen of PearfotheWeek.com, a personal finance and investing blog, urged individuals to "put together a financial projection of the cost and personal investment" of whatever the excuse or event is. "Then, use this exercise as a stepping stone to other financial action."

In other words, use the urgency of an immediate financial goal, and take that same enthusiasm and determination to longer-term financial goals. This will help you plan and save beyond the needs of a looming deadline.

5. I'm Waiting for Less Market Volatility. Would-be investors eyeing the stock market these days might be using the recent volatility as an excuse to stay on the sidelines. Or, some might say they don't want to invest right now because the market is too high, or it hasn't hit bottom yet or they want to wait until it goes back up to get in.

Solomon has a name for this behavioral pattern: "I call this the timing excuse. There is no such thing as market timing, only market mistiming. We have met with several people who are 100 percent in cash and have been using this excuse since the Great Recession to avoid getting into the market. In the process, they have missed out on more than 200 percent of gains in the U.S. indexes over the last six years, and their portfolios will likely never be able to recover from those missed opportunities during their lifetimes."

Solomon said that inflation will eat up people's purchasing power in time if they're not invested in the market properly. "The returns on cash and other ultra-conservative investments have never historically kept pace with inflation. So if you are in cash or Treasury bills, you are not preserving your capital in real terms because the price of everything you will need in the future is going up and your purchasing power is shrinking over time."

6. It's Impossible to Get Ahead. You are in charge of how you spend, how much you earn, how you invest and other financial decisions. By claiming that life is unfair or the game is rigged, you ultimately end up shirking your responsibility to instigate positive change. Be accountable for your money-related decisions, and watch how empowered you will feel.

7. I'm Afraid to Face My Financial Fears. People who stockpile their student loan bills or credit card statements under the bed — unopened — are probably familiar with this fear. Confronting their financial reality is a first step toward gaining security.

"People don't want to fail," said Josh Nelson, CEO of Keystone Financial Services. "They are afraid that they have procrastinated too long and it's too late for them. The truth is that it is never too late to do the right thing. People can make up for lost ground quickly if they are committed enough."

Go ahead and face your financial situation head on. See where you stand today so you can start making a plan that will help you move toward the future you desire. Track your spending and earnings. Include your monthly bills and short-term and long-term savings goals. Make the adjustments necessary to bring your financial life back into balance.

8. I'm Too Busy. "Probably the most common excuse that we hear is 'I don't have time right now,'" said financial consultant Trent Huston. "(What) they are actually saying is 'I won't make time right now.' The statement undermines their efforts to improve because they have prioritized improving their finances below other things that they do have time for."

A sound financial future should be your goal and a priority. But time slips away and financial plans get deferred again and again. To break the cycle, investment advisor Steve Lewit of United Advisors said, “Ask yourself: ‘If I keep doing what I’m doing and I don’t change, will I get all stressed out or worried?’ If the answer is yes, then an action needs to be taken to relieve the stress.”

Bring urgency to your financial goals. Resolve to stop making excuses. Realize the connection between your financial actions today and achieving your desired future.

Are the New Mortgage Rules Inhibiting Home Buyers? A new set of strongly pro-consumer mortgage regulations went into effect October 3rd and the immediate result was that loan applications instantly dried up. Figures from the Mortgage Bankers Association show that for the week ending October 9th, overall loan application activity decreased 27.6 percent from the prior week.

Is there any connection between the new rules and fewer loans?

Those who are against the new regulations naturally believe that the rule change by and of itself is a blight on the mortgage lending system and will surely make it more difficult for borrowers to get the financing they need. Moreover, the application slide must also mean that lenders are not prepared for the new regulation and therefore the new rules should not be enforced at this time.

Mortgages & Timing: In fact, the evidence shows that the loan application fall-off was entirely normal and natural and not to be unexpected. For instance, MBA reports that “the unadjusted Purchase Index decreased 34 percent compared with the previous week and was 1 percent lower than the same week one year ago.” In other words, not a big deal.

So what happened and how will it affect your ability to get a mortgage?

Back in 2013, the Consumer Protection Financial Bureau introduced something called the TILA-RESPA Integrated Disclosure rule (TRID). The new standards were supposed to go into effect in August, but in response to lender complaints, the start date was pushed back to October.

In basic terms, the new rule created modernized loan disclosure forms as well as a new and easier closing paperwork. The rule also said that lenders must provide final closing information three days before the date of settlement. If any of the loan terms change in a big way, then new forms are required and the three-day disclosure period starts again, something which means that closings can potentially be delayed.

While there’s no doubt that the new TRID rule is complex – it runs 1,888 pages – most lenders have been well prepared for the October start date.

For instance, the Mortgage Bankers Association said that two thirds of its members were ready for the new rules “with little or no worry.” The American Bankers Association said that software was a problem and that as of September 1st, only 60 percent of its members had received production versions.

Meanwhile, on Capitol Hill, the House passed the *Homebuyers Assistance Act* (HR 3192) by a vote of 303 to 121, legislation which said that lenders cannot be penalized for TRID mistakes before February 2016 as long as they made a “good faith” to comply with the new rule. This legislation, as of this writing, has yet to be acted upon by the Senate or signed by the president.

But if it is true that most lenders are prepared for the new rules, then why is it that loan volume decreased so much?

One reason is that many lenders and commentators had urged borrowers to complete their financing before the new standards went into effect to avoid any possible delays. A second reason is that the first week of October came just before the Columbus Day holiday, meaning that less work was getting done in anticipation of a three-day weekend.

For borrowers, the bottom line looks like this: First, mortgage rates remain around 4 percent and often below as of this writing. Second, lenders want your business, so shop around for the best rates and terms.

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

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

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Green C℠ Certification Accepting Applications for 2015 Winter Cycle:

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 2015 Winter cycle are now being accepted through December 21, 2015.

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