

# Consumer News & Views

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**Consumer Confidence Leaps in October.** American consumers haven't been this optimistic about the economy since the start of 2004, according to the Conference Board's Consumer Confidence Index.

The **Consumer Confidence Index**®, which had improved marginally in September increased again in October. The Index now stands at 125.9 (1985=100), up from 120.6 in September.

"Consumer confidence increased to its highest level in almost 17 years (Dec. 2000, 128.6) in October after remaining relatively flat in September," said Lynn Franco, Director of Economic Indicators at The Conference Board. "Consumers' assessment of current conditions improved, boosted by the job market which had not received such favorable ratings since the summer of 2001. Consumers were also considerably more upbeat about the short-term outlook, with the prospect of improving business conditions as the primary driver. Confidence remains high among consumers, and their expectations suggest the economy will continue expanding at a solid pace for the remainder of the year."



According to Akin Oyedele, the Senior Markets Reporter for Business insider, the data suggest that consumer spending will likely continue to support the economy through at least mid-2018, at which time this economic expansion would become the second-longest since the 19th century. US economic growth in the second quarter rose to a two-year high on stronger consumer and business spending, a late-September report showed.

The surge in optimism "reflects an unmistakable sense among consumers that economic prospects are now about as good as could be expected," said Richard Curtin, the chief economist of the survey.

"This 'as good as it gets' outlook is supported by a moderation in the expected pace of growth in both personal finances and the overall economy, accompanied by a growing sense that, even with this moderation, it would still mean the continuation of good economic times."

But consumers continue to expect slow wage growth and limits on how quickly their living standards will improve, according to the survey.

Consumer sentiment spiked after President Donald Trump's election largely along partisan lines: Republicans turned much more optimistic while Democrats turned more bearish on the economy's direction.

Thomas Hinton, president of the American Consumer Council, a nonprofit consumer education and advocacy organization, said, "The current economic conditions were set in motion 18 months ago. It's important for the Trump Administration and Congress to take the necessary steps to sustain this consumer optimism by enacting meaningful tax reform and reducing government red tape on everything from housing construction to healthcare for all Americans."

Hinton added, "New jobs and wage growth are essential if the US economy is going to continue its current momentum and growth beyond mid-2018."



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**Holiday Spending and Travel Will Be Strong.** The American Consumer Council (ACC) reports that its members plan to increase their holiday spending by 3-4% in the coming month.

A recent 2017 Deloitte survey indicates that consumers plans to spend more on *experiences* and *celebrations* than in the past. Approximately one-quarter of survey respondents say they prefer to buy gifts that can't be wrapped-up in a bow:

Some 27 percent of respondents said they prefer to buy gifts that are an experience and 24 percent indicated they plan to host or attend more holiday events with friends and/or family than participate in a traditional gift exchange.



According to the Deloitte survey, physical gifts are totally out of style as one-third of holiday budgets will go toward physical gifts. The dog walker, piano teacher, or the trusted mail carrier will still appreciate a token gift. Gift spending remains flat at \$430 and an average of 14.7 gifts this year.

Gifts can certainly add up. The average consumer is expected to spend an average of \$1,226 during the holiday shopping season. That number nearly doubles to an average of \$2,226 among households earning \$100,000 or more.

Disposable income appears to be healthy with roughly 8 in 10 (81 percent) of respondents reporting that their household financial situation is the same or better than last year. This number is up from 63 percent five years ago.

***Here are some other interesting findings reported by Deloitte:***

The Internet isn't just for browsing anymore. In past holiday retail surveys, we would point out that consumers were combing the Internet for deals, comparing prices, and looking for recommendations. But when it came time to make the transaction, shoppers would hit the stores.

In last year's survey, online and in-store purchases comprised an equal share, at 47 percent each. This year, we saw a jump in the number of consumers who were doing research online and making purchases there.

Survey respondents plan to spend 51 percent of their budget online, compared with 42 percent in-store.

***Here are some additional findings of online purchasing:***

- Respondents earning \$100,000 or more expect 57 percent of their spending will be online and 39 percent in-store.
- 55 percent of respondents plan to shop online for gifts, increasing online shopping's lead over mass merchants, where 44 percent of those polled plan to shop.
- At 28 percent, and down 3 percentage points from last year, department stores placed a distant third behind the Internet and mass merchants as a shopping destination.

**Usage of the smartphone in the shopping journey**

- Smartphone users are more inclined to use dedicated retailer apps or payment apps when making purchases. When it comes to smartphone purchases:
- 22 percent of respondents using smartphones for holiday shopping think they'll pay for purchases in-store with a mobile wallet app
- 40 percent anticipate using a retailer's app on their smartphone
- 36 percent plan to use a mobile payment app during the holiday season
- Retailers have a 59 percent probability of converting a smartphone shopper to purchaser and a 75 percent probability of converting a desktop or laptop shopper

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

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<sup>SM</sup> Certification Accepting Applications for 2017 Cycle:**

If your company or organization would like to increase its credibility with consumers, you should consider applying for the **Green C<sup>SM</sup> Certification**. Applications for the 2017 cycle are now being accepted through Friday December 1, 2017.

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<sup>SM</sup> Certification** criteria can be viewed at ACC's website located at: <http://americanconsumercouncil.org/greenc.asp>

