

Consumer News & Views

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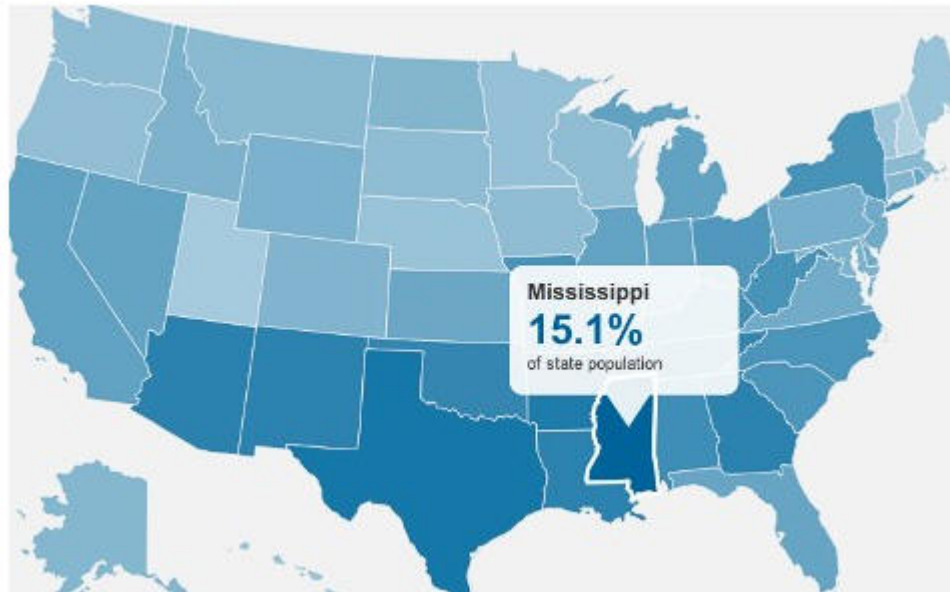
JSTC Employees Federal Credit Union, Johnstown, PA

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Who are the unbanked?

By Blake Ellis @CNNMoney



Are you living in an unbanked state? Click on the map to find out.

Believe it or not, nearly 10 million households across the country are living without a bank account. And in some states, these residents make up a big slice of the population.

According to CNN Money's Blake Ellis, among all of the regions in the country, the South has the largest percentage of residents who are "unbanked," meaning they don't have a checking or a savings account. According to an FDIC report released in September, 10% of the region's population doesn't have a bank account, compared to the national average of 8.2%.

While 37% of U.S. households live in the South, nearly half -- or 46% -- of all unbanked households in the country reside in this region. And, so do nearly 40% of the nation's poor, according to the U.S. Census Bureau.

And that's no coincidence, said Odysseas Papadimitriou, CEO of CardHub.com and former head of a team at Capital One tasked with identifying products for unbanked customers. "Wherever you see high poverty and low-income populations, you will see higher populations of unbanked," he said.

Mississippi, which has suffered the highest poverty rate in the country for years, also has the biggest population of unbanked households -- with 15% of its residents lacking a bank account. Texas and Arkansas follow, with bankless rates of 12.8% and 12.3%, respectively. Compare that with New Hampshire, which has the lowest rate of unbanked, at 1.9%, as well as the lowest poverty rate in the nation.

"If you're poor and don't have a steady income and aren't able to keep a high balance in a bank account, you might feel you're saving money by not paying a monthly fee, since it might be just one fee at the check-cashing store," said Papadimitriou.

But often, fees for alternative financial services like check-cashers, payday loans, tax refund anticipation loans or money orders can be much higher than monthly bank account fees. And even what may start out as small fees can add up significantly depending on how carefully -- and how often -- you use these products.

Prepaid cards, which are attracting a growing number of unbanked households, can be low-cost alternatives to traditional bank-issued debit cards. But others come loaded with fees.

Among the main reasons people cited for not having a bank account in the FDIC's report were a lack of money or that they didn't need or want an account, didn't trust banks, thought the fees and minimum balance requirements were too high or were denied accounts because of identification issues or bad banking track records.

About 28% of households earning less than \$15,000 don't have bank accounts, according to the study. While that's a much larger percentage than the 8.2% national unbanked rate, it still means that a large portion of the lowest-income earners are using bank accounts, so income isn't the only factor at play when it comes to being unbanked.

The study also found that 22% of foreign-born non-citizens, 21% of black households and 20% of Hispanic households are unbanked. Nearly 23% of households with unemployed members and 19% of families headed by a single mother are also unbanked.

Overall, the national unbanked rate has risen from 7.7% in 2009 to 8.2% in 2011, meaning one in 12 households are now without bank accounts.



Quorum Federal Credit Union is Ready to Serve You

Quorum Federal Credit Union is a federally chartered financial institution serving employees of select companies. We got our start in 1934, helping employees of Kraft Foods save money, and over time have expanded our field of membership to include companies such as Altria Group, Inc., the Ogilvy Group, Heineken, and Avon Products. Over the years, we've continued to provide the convenience and benefits of a big bank, with the hometown feel and service our expanding member base has come to expect from us.

Why Should I Join?

With 75 years of experience, \$630 million in assets and over 40,000 members nationwide, Quorum is one of the largest credit unions in the nation. Because Quorum is a not-for-profit institution, members share directly in the Credit Union's success in the form of better rates, services and products like no-fee checking accounts, savings, term accounts, as well as mortgages, credit cards and personal loans. So unlike traditional for-profit financial institutions, Quorum is working for you.

Banking at Quorum is always convenient with more than 59,000 surcharge-free ATMs and 4,000 Shared Service Centers nationwide. And because deposits are federally insured up to at least \$250,000 by the National Credit Union Administration (NCUA), a federal agency backed by the full faith and credit of the United States government, it is always a safe and secure place for members to bank.

How Do I Become a Member?

Find out for yourself why our members are so satisfied. For more information or to become a member, visit us at quorumfcu.org. Or, speak to our knowledgeable Member Service Team Monday through Friday, from 8:30 a.m. to 7:00 p.m. (ET) at 800.874.5544. We look forward to serving you! Members of the American Consumer Council are welcome to apply for membership in Quorum FCU.

Quorum Federal Credit Union is federally insured by the National Credit Union Administration.



Trader Joe's Peanut Butter Recall Shows the Need for Tougher Food Safety Regulations – It's Time for Congress to Act!



The Food and Drug Administration reported that Trader Joe's, a boutique food chain, has issued a nationwide safety recall for its Creamy Salted Valencia Peanut Butter. According to *Consumer Reports* magazine, this most recent recall indicates a need for tougher food safety regulations. The concern over possible salmonella contamination in the 16-ounce jars of

the peanut butter staple underscores the need for the Food Safety Modernization Act (FSMA)—a toughened safety bill whose implementation has been stalled by the U.S. government for the past nine months, says Consumers Union, the advocacy arm of Consumer Reports.

Thomas Hinton, president of the American Consumer Council, has called for congressional passage of the FSMA saying, "This legislation is long overdue and would give the FDA the enforcement powers it needs to protect consumers from poor quality food production and side-stepping safety standards in food production."

According to the FDA, the agency is still investigating how the peanut butter might have become tainted with the salmonella bug. And while both the agency and supermarket chain say that no illnesses have been tied to the peanut butter, the Centers for Disease Control and Prevention says that 29 illnesses have been reported in 18 states. Trader Joe's says its Creamy Salted Valencia Peanut Butter is being recalled and pulled off shelves "out of an abundance of caution."

Still, the current peanut butter recall—and last year's recall of Smucker's chunky peanut butter—for salmonella-based health risks emphasized the need for stricter food safety regulations.



JSTC Employees Federal Credit Union Attracts Students and Consumers from Pennsylvania with Great Loan Rates

JSTC Employees Federal Credit Union (JSTC) has become a popular place for high school and college students who want to start a banking relationship with a strong financial institution. JSTC enjoys helping students open a new account, apply for a credit card or debit card, and make a student loan application. Pennsylvania consumers are flocking to JSTC because they have built a reputation as a consumer-friendly credit union and an easy place to do their financial business. And, JSTC has a new location at 969 Eisenhower Blvd. in Johnstown, PA. Visit them soon!

If you're a student who needs to open a financial account, contact JSTC Employees Federal Credit Union at www.jstc.net. If you're a small business or Pennsylvania consumer who wants a friendly, supportive financial institution where you can conduct all your financial transactions, contact JSTC today! Let them know you heard about JSTC through the non-profit American Consumer Council.

JSTC Employees Federal Credit Union

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Johnstown, PA 15904-3326
Credit Union local telephone: 814-266-6222
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Toll Free: 1-800-994-9993
Teller Line: 1-800-309-8559

Lobby Hours:

Monday - Thursday
9:00am - 4:00pm
Friday
9:00am - 6:00pm

Learn more at <http://www.jstc.net/>

*The American Consumer Council is proud to have
JSTC Employees Federal Credit Union
as a Sponsoring Member*



Green CSM Certification Accepting Applications for 2012 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 2012 Fall cycle are now being accepted through December 10, 2012.

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>

