

Consumer News & Views

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Consumer Confidence Slips Slightly in September. Consumers returned to their spending habits as parents purchased more school supplies, technology and autos in the past six weeks. But, despite the uptick in consumer spending, The Consumer Confidence Index®, a diagnostic tool used by The Conference Board to measure how consumers feel about the economy, declined slightly in September. The Index now stands at 119.8 (1985=100), down from 120.4 in August.

“Consumer confidence decreased slightly in September after a marginal improvement in August,” said Lynn Franco, Director of Economic Indicators at The Conference Board. “Confidence in Texas and Florida, however, decreased considerably, as these two states were the most severely impacted by Hurricanes Harvey and Irma. Despite the slight downtick in confidence, consumers’ assessment of current conditions remains quite favorable and their expectations for the short-term suggest the economy will continue expanding at its current pace.”

Consumers’ assessment of current conditions moderated in September. Those saying business conditions are “good” decreased slightly from 34.5 percent to 33.9 percent, while those saying business conditions are “bad” increased from 13.2 percent to 13.8 percent. Consumers’ appraisal of the labor market was also somewhat less upbeat. Those stating jobs are “plentiful” declined from 34.4 percent to 32.6 percent, however, those claiming jobs are “hard to get” decreased marginally from 18.4 percent to 18.1 percent.



Consumers' optimism about the short-term outlook was somewhat better in September. The percentage of consumers expecting business conditions to improve over the next six months rose slightly from 19.8 percent to 20.2 percent, but those expecting business conditions to worsen increased from 8.0 percent to 9.9 percent.

Consumers' outlook for the labor market was more favorable than in August. The proportion expecting more jobs in the months ahead increased from 16.8 percent to 19.5 percent, while those anticipating fewer jobs rose marginally from 13.2 percent to 13.5 percent. Regarding their short-term income prospects, the percentage of consumers expecting an improvement increased moderately from 19.9 percent to 20.5 percent, while the proportion expecting a decline was virtually unchanged at 8.3 percent.

Consumers Can Take Steps to Protect Themselves from Equifax Data Breach. Among the American Consumer Council's (ACC) 200,000 members, nearly 42% have reported (ACC) they were victimized by the Equifax data breach. According to *Christian Science Monitor* staff reporter Laurent Belsie, the Equifax breach that occurred over 2-1/2 months, compromised personal data including Social Security numbers. Belsie reports that the data incursion affects three-quarters of American adults with a credit score. Here's a concise look at what happened, the variety of steps that consumers can take, and the pressure for new steps to guard credit data.



Q: What happened?

From mid-May through July, hackers exploited a weakness in the software of Equifax, a credit agency, to steal the private information of some 143 million people. It is the largest known breach in the United States in terms of sheer numbers, and it involves what the National Consumer Law Center (NCLC) calls "the mother lode" of personal data: full names, addresses, birth dates, and Social Security numbers. In some cases, driver's licenses, credit-card numbers, and other records were also exposed. With that data, identity thieves can apply for credit cards, take out loans, and even file for federal tax refunds – all in another person's name.

On July 30, a day after observing suspicious activity on its network, Equifax closed the breach.

Q: What should consumers do right now?

Identity theft experts say the breach is too serious to ignore. At a minimum, consumers can find out if their information is at risk by going to Equifax's special website: <https://trustedidpremier.com/eligibility/eligibility.html> Then, you can request a copy of their credit report at www.AnnualCreditReport.com from all three credit agencies (the other two being Experian and TransUnion). Individuals can obtain a free report once a year from each agency.

Consumers should review the reports to ensure they recognize every credit account that's been opened in their name. If there's something wrong or unfamiliar, they should contact the credit agency.

Q: If a consumer doesn't notice any credit problems in the next month or so, does that mean everything is OK?

The effects of the Equifax breach are ongoing. Identity thieves may wait months or years before using data. "Once your information is exposed and compromised, there's no putting it back in the box," says Eva Velasquez, president of the Identity Theft Resource Center (ITRC), a nonprofit that helps consumers protect themselves free of charge.

Cyber criminals are intent on stealing Social Security numbers, a tactic that has proved to be one of the most effective routes to identity theft, according to the ITRC. During the first half of 2017, about 60 percent of breaches in the US involved the exposure of Social Security numbers, down only slightly from the figure for the first half of 2016 (61percent).

Q: What are consumers' options for a permanent fix?

The most aggressive step – one that several experts recommend – is a credit freeze. Lending companies and potential employers won't be able to pull a person's credit report unless the individual lifts the freeze. Depending on the state and the person's status as an identity fraud victim, and whether the person unfreezes the file temporarily or permanently, it might cost between \$5 and \$10 to freeze or unfreeze the report. Credit freezes are free at Equifax for the moment, but to be effective it should be done with all three credit agencies.

For some people, a freeze might not be right – for those whose job requires frequent moves or background checks that involve pulling their credit report, for example. These individuals can opt for milder protection in the form of credit monitoring. For a fee, companies will track consumers' credit use at all three credit agencies and send alerts for any suspicious activity. Some employers, banks, insurance companies, and credit cards offer free credit monitoring from some of the credit agencies, points out Lisa Gerstner, a contributing editor at Kiplinger's Personal Finance. Equifax is allowing people affected by the breach to sign up for a year of free monitoring via its TrustedID service.

Ms. Gerstner says yet another option is to initiate a fraud alert, which tells companies pulling a credit report that the individual may have been a victim of identity theft. This allows them to take extra steps to verify the person's identity. The alert is free but expires after 90 days; so, it has to be reactivated frequently.

Q: Why do consumers have to do all this work and pay fees when they did nothing wrong?

"Good question," Chi Chi Wu, an NCLC attorney, writes in an email. "We think Equifax should pay for those freezes" at the other credit agencies. The ITRC is pressing the agencies to eliminate their fees.

With its shares plunging and widespread criticism for a slow and sloppy response to the data breach, Equifax is facing a huge backlash in the form of class-action lawsuits, state and federal investigations, and legislation proposed by members of Congress that would give consumers greater control over their own credit data.

"If there can be a silver lining [from the breach], we can be hopeful that it can be a catalyst for significant changes" for the industry, government, and consumers themselves, says Ms. Velasquez of the ITRC.

Q: Is the Social Security number now obsolete to confirm people's identity?

Some experts say yes, and that the Equifax breach makes the problem obvious. "In effect, Social Security numbers function as both usernames and passwords, albeit ones that are widely shared and impossible to change," argues one new commentary by Daniel Castro of the Information Technology and Innovation Foundation, a Washington think tank. "We should replace the outdated, paper-based system of Social Security numbers with a secure identity system built for the digital era."

But the mechanics of introducing some new system may not be obvious or quick. Mr. Castro, for his part, says a promising path would be for Congress to expand a Commerce Department initiative called the National Strategy for Trusted Identities in Cyberspace.

ACC Hits 200,000 Members; State Councils Expand in Oklahoma and Pennsylvania. The American Consumer Council (ACC) reached 200,000 members on September 18th. David Romanski, chairman of the nonprofit consumer education and advocacy organization, said much of ACC's growth was due to expansion throughout several state consumer councils including rapid growth in Pennsylvania, Oklahoma and Texas. Romanski indicated ACC's double-digit growth over the past ten years is a direct result of growing consumer awareness as well as concern for safe, reliable products and services. Romanski added that consumer frustration with product warranties, obtaining rebates and identity theft were driving greater consumer involvement. Also, ACC reported there has been growing participation of credit unions that partner with ACC to serve the financial education needs of their members.

At ACC's 2017 annual meeting, Romanski said "Organizations like the American Consumer Council are directly responsible for giving consumers a louder voice and creating greater awareness that their voice matters." Romanski added that ACC will continue to work closely with major consumer product manufacturers and retailers to ensure their products and services are safe, reliable and trusted by consumers.



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>

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

