

Consumer News & Views

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Consumer Confidence Continues to Improve. The Conference Board Consumer Confidence Index®, which had increased in July, improved further in August. The Index now stands at 92.4 (1985=100), up from 90.3 in July. Factors that contributed to the increase were business conditions and job growth.



Thomas Hinton, president of the American Consumer Council, stated, "While we anticipate consumer confidence will continue its upward trend, we are concerned about the lack of wage increases and a long-overdue minimum wage increase to help consumers keep up with rising costs of goods and services."

Hinton added, "During the past month, we have not seen a surge in consumer spending for back-to-school supplies or vacations. This tells us that consumers are still guarding their wallets because they're uncertain about the short-term economy."

Airlines Continue to Squeeze Consumers... Literally! For the past five years, airlines have been putting the squeeze on consumers – literally! If you've traveled lately, you know exactly what we mean. The seats are smaller and

they space between rows has been drastically reduced to the point where passengers are fighting each other when a seat is reclined!

Hugo Martin of the *Los Angeles Times* reported in April that at the Aircraft Interiors Expo in Hamburg, Germany, many of the 500 exhibitors were promoting new ideas to cut down on weight — to save fuel — and innovative layouts to fit more seats per cabin.



Among the concepts offered at the expo was a set of seats that put passengers face to face; seats that are installed in a staggered, diagonal layout, and lavatories designed to wedge in a few extra passengers in the back of the cabin. One company has even introduced a lightweight lap belt.

Airlines may eventually pack in so many seats per cabin that carriers will reach the maximum passenger totals allowed by federal regulators. But U.S. carriers have not reached that point yet.

"There is no question that densification — adding more seats to each aircraft — is an ongoing trend, and there is no sign of it letting up any time soon," said Seth Kaplan, managing partner at the trade publication *Airline Weekly*.

One of the world's largest airline interior manufacturers, France-based Zodiac Aerospace, unveiled a set of three seats with one passenger facing forward, one facing backward and another facing forward. The seat bottoms flip up, like the seats at a ballpark, to let passengers board and exit faster. It's a concept strictly for short-haul flights. The response from airlines at the expo? "Very interested," said Pierre-Antony Vastra, an executive vice president at Zodiac.

The drawbacks: no armrests, and the seat bottom cushions are pretty thin.

But the biggest buzz at the expo was over a small French company called Expliseat, which has developed a seat made of lightweight titanium and composite materials. It weighs about 8.8 pounds, whereas newer economy seats weigh about 24 pounds. The company promises to save airlines up to \$500,000 a year in fuel costs for the average Airbus 320 or Boeing 737 planes. On April 1, the seat won approval by the European Aviation Safety Agency for use on European aircraft.

Spirit Airlines' customers complain most, but still buy tickets

It may be no surprise that the U.S.-based airline that has drawn the most complaints per passengers over the past five years is Spirit Airlines. After all, the Florida-based carrier is known for super-tight seating and dozens of fees, including charges for soft drinks and carry-on bags.

But the executives at the ultra-low-cost carrier are probably not sweating the study results, because another report released last week said Spirit also had the highest profit margin of any U.S. carrier in 2013.

"The Unfriendly Skies," a report by the U.S. Public Interest Research Group Education Fund, found that Spirit had the highest complaint rate from 2009 to 2013. It showed that Spirit had 9.44 complaints per 100,000 passengers in 2013, up from 6.75 complaints per 100,000 fliers in 2009.

Spirit's complaint rates were more than three times higher than the second-place airline each year, the report said. But a report released last week by *Airline Weekly* gave Spirit reason to smile: Spirit had the highest profit margin (17%) of any U.S. airline, compared with 9% for Delta and 8% for both Southwest and American Airlines.

It's clear that Spirit was not bothered by its complaint rate, because the airline responded to the report with a one-day promotion, boasting that only 0.01% of its passengers filed complaints last year.

"That's right, over 99.99% of our customers did not file a complaint with the Department of Transportation in 2013," the airline said in its promotion statement.

ACC's Wellness Series Ready for October Launch. The American Consumer Council will launch its Financial Wellness series with several programs starting on October 6. As part of ACC's commitment to help its members better manage their finances and make better financial decisions, ACC has developed a series of eight programs that will be offered free to members.



The programs series include the following topics:

- Exploring your Retirement Decisions.
- How to Save and Pay for College.
- Smart Budgeting for Twenty-Somethings.
- A Crash Course on Cash and Credit Cards: How not to Over-spend.
- To Buy or Rent: That is the Question!
- Where to Bank and Where to Invest: How to Get the Best ROI on Your Money.
- How to Get Health Insurance and stay Insured
- Managing Your Credit and Pay-off Your Debt

A complete schedule of programs and podcasts will be published next month. ACC is partnering with the National Endowment for Financial Education (NEFE) to provide these programs. NEFE is a leading private nonprofit 501(C)(3) foundation dedicated to inspiring empowered financial decision-making for individuals and families through every stage of life.



Fleet Financial is a National Finance and Insurance Marketing firm that focuses on Auto Refinancing.

We offer auto finance solutions with the customer's well-being in mind. There are a lot of companies out there that can provide a loan or refinance your vehicle. Fleet Financial focuses on setting our customers up for success by saving them money and educating them about what is best for their particular financial situation.

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Green CSM Certification Accepting Applications for 2014 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 2014 Fall cycle are now being accepted through December 1, 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 CSM Certification** criteria can be viewed at ACC's website located at: <http://americanconsumercouncil.org/greenc.asp>

