



AMERICAN CONSUMER COUNCIL

2011 Annual Report

Executive Summary



“Educating Consumers for Economic Growth”

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The American Consumer Council (ACC) is pleased to report strong program growth and an increase in revenue for 2011. Our continued success this past year was due in part to four key factors: (1) a modest rebound in the economy which gave consumers more spending power; (2) strong consumer activism as a result of corporate missteps including proposed credit card fees by banks and the Netflix fiasco; (3) a growing concern that state

and federal government watchdog agencies are not doing enough to protect the interests of consumers against unscrupulous companies and poor quality products; and (4) the popularity of credit unions in light of consumers' discontent with established banks and their attempt to impose debit card usage fees.

All of these issues contributed to ACC's growth in 2011. Additionally, ACC found itself as the beneficiary of strong membership growth as result of the consumer revolt against proposed bank debit card fees and the general discontent among America's middle-class with the 1% (as defined by the *Occupy Wall Street* movement). As a consumer focus group told us in November, "There is a genuine need for non-profit organizations like the American Consumer Council because consumers want to be better educated on the products and services they use. They also want to know all their options when it comes to banking and purchasing major products."

ACC finished 2011 with a membership growth rate of 14% resulting in the addition of 14,793 new members giving us a total of 118,255 members. ACC is also proud of its member retention rate of 94.7%. ACC currently has members in all 50 states as well as Europe, Asia, Puerto Rico, Guam, and the U.S. Virgin Islands.

ACC also added two new regional directors based in Massachusetts and Missouri. ACC now supports 46 state/regional consumer councils across the nation. Additionally, ACC maintained its global reach in partnership with the International Consumer Council to combat identity theft, oppose censorship of information on the internet by rogue governments and challenge shoddy quality practices in the manufacturing of cars and toys.

Also, ACC initiated a new partnership with **Transamerica** to encourage consumers to use the valuable financial services offered by Transamerica and its agents through credit unions. Some of those products/services include: traditional insurance and membership products, life and disability, credit and mortgage insurance, debt cancellation, reinsurance solutions and related products, we can tailor offerings that strengthen your organization while protecting member/customer obligations.

ACC also added eight outstanding credit unions as part of its financial services network bringing the total number of sponsoring member credit unions to 28. We are pleased to welcome the following non-profit financial institutions to our growing list of outstanding credit unions that serve America's consumers: **Fresno County Federal Credit Union** of Fresno, CA; **Lafayette Federal Credit Union** in Kensington, MD; **Ledge Light Federal Credit Union** based in Groton, CT; **XCEL Federal Credit Union** in Jersey City, New Jersey; **Carter Federal Credit Union** in Shreveport, LA; **Securityplus Federal Credit Union** in Baltimore, MD; **Atlantic Federal Credit Union** in Kenilworth, New Jersey; and, **Garden Savings Federal Credit Union**, in Parsippany, New Jersey.

ACC also partnered with VISA™ to promote its Practical Money Skills for Life as part of its ongoing **TeenRich™** financial literacy program which certifies educators to teach an 8-module money management course to students.

The American Consumer Council also experienced **steady financial growth in 2011**. ACC revenues grew by 10.8% and expenses increased by 5.82% allowing ACC to increase its reserves by more than \$42,000. ACC's continued revenue growth means our non-profit organization is well-positioned to serve its members, expand our program offerings in 2012 and weather any unforeseen economic challenges in the next 12 months.

Although consumers rallied to stop banks from implementing debit card transaction fees and nix Verizon's weak attempt to charge for online payments of bills, 2011 was a difficult year for many American consumers. A significant number of consumers are still living paycheck-to-paycheck. Unemployment levels remain high and the projected job growth for 2012, although improving, is not expected to grow enough to provide meaningful, full-time employment for the 250,000 Americans seeking work each month.

Also, consumers are anxious to see a positive resolution to the investigation of improper foreclosure practices by mortgage lenders by the state attorneys general. Despite strong evidence that many homeowners were illegally foreclosed on, the federal government has not moved to halt home foreclosures and provide a more meaningful mortgage relief program that benefits both distressed homeowners and lenders. ACC currently supports such legislation by the Congress. This remains a serious and frustrating issue for consumers and one which ACC continues to focus on.

In 2011, the American Consumer Council continued its *Friend of the Consumer Awards* as well as refined its **Green C™ Certification** program to recognize companies and organizations for their environmental stewardship and Corporate Social Responsibility. This advanced criteria helps applicants assess their environmental standards, adopt stronger environmental practices, and demonstrate their Corporate Social Responsibility practices. This is a major step for ACC and it reflects our growing commitment to ensuring future generations will enjoy the natural resources of our planet.



Under the very capable leadership of ACC's Board of Directors, we have made great strides in the past 12 months to fulfill our mission. I am grateful to voluntary leadership, our 46 state/regional consumer councils, members and professional staff for their service, dedication, and commitment to achieving ACC's goals.

Looking ahead, ACC has set a series of **strategic goals to achieve in 2012**. Among those are the following:

1. To achieve 125,000 members as of December 31, 2012.

2. To expand ACC's network of credit unions to 35 including representation in Texas, Florida and Northern California where ACC is experiencing rapid membership growth.
3. To expand ACC's corporate sponsor program by adding both an "*Official Vehicle of ACC*" sponsor and an "*Official Healthcare Provider of ACC.*"
4. To continue its financial literacy educational offerings and reach 10,000 students in 2012 through our alliance with VISA™ and ACC's TeenRich™ programs.

Each quarter, I'll be providing an update on ACC's progress. Thank you for your continued support of the American Consumer Council and we look forward to seeing you at our annual meeting on Friday, April 6.