



AMERICAN CONSUMER COUNCIL

## 2018 Annual Report



### *“Consumers in Action”*

December 31, 2018

*Issued By:*

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#### ***Overview:***

As the American Consumer Council (ACC) begins its new fiscal year, 2018-2019, I am pleased to report steady growth across three key metrics – membership growth, financial growth, financial education and expanded program services for our members.

We are pleased to report the following progress during the past 12 months covering the period of January 1 -December 31, 2018.

#### ***Membership:***

The American Consumer Council (ACC) is pleased to report continued membership growth of 11.4% in 2018.

As of December 31, 2018, ACC experienced a net membership growth rate of 11.4% resulting in the addition of 38,948 new members giving us a total of 236,044 members (accounting for attrition). ACC and its affiliated consumer councils easily surpassed its annual membership goal of 210,000 members for 2018.

ACC is also proud of its member retention rate of 93.6%. ACC currently has members in all 50 states as well as Europe, Asia, Puerto Rico, Guam, and the U.S. Virgin Islands. Some 62% of ACC members continue to come from individuals who consider themselves activists, advocates or mistreated consumers seeking redress through ACC. The balance of new members – approximately 38% -- are generated through our 78 credit union partners across the country.

Also, ACC can report that 70.2% of ACC members have some credit union affiliation while 29.8% have no credit union affiliation or declined to state any affiliation with a credit union. During the past fiscal year, ACC added several new credit union partners in Virginia, Minnesota, Wyoming, Oklahoma, California and New Jersey.

As noted in last year's report, ACC continues to be selective in the size and location of credit unions we want to partner with. Because there is an associated cost in accepting a new credit union based on a financial institution's location, ACC is limiting its expansion to those regions where our members are under-served by financial institutions.

***Financials:***

ACC's financial condition improved significantly despite the rapid expansion of several new local chapters across the United States. During the 2018, the American Consumer Council experienced a significant increase in revenues, up 8.1% from the previous year.

Despite the cost of hiring new staff and the opening of 16 local consumer council office, ACC's expenses decreased slightly by 1.18% during the previous 12 months. ACC's net assets increased by 6.49%.

***Chapter Expansion:***

During the past fiscal year, ACC made significant progress towards its 5-year goal of 177 state and local consumer councils with expansions in California, Wyoming, Texas, New York, Connecticut, Alabama, Tennessee, Ohio, Florida, Oklahoma, Virginia, Maryland and the Carolinas. ACC funded the opening of 16 new local consumers council offices in these states bringing the total number of operating chapters to 118 including 47 state consumer councils. In 2019, ACC will fund operations for an additional 18 local chapters.

***Consumer Action:***

During 2018, ACC was involved with a number of consumer actions to resolve serious problems and complaints ranging from home repairs to identity theft. While ACC does not typically help individual consumers with personal issues or concerns, we do take on companies and industries that are not honoring their words and promises to consumers as

a whole. Among the many actions ACC was involved with during the past year include the following:

- Misrepresentations by some auto dealers, especially used auto dealers, in their advertising and car sale practices.
- Lemon Law (autos) actions.
- Dealing with faulty auto repairs., auto leasing, and towing disputes.
- Recovering money paid for shoddy home improvements.
- False advertising and related deceptive practices on the part of some national retailers.
- Pressuring retailers to accept the return of defective merchandise.
- Resolving problems with rebates, coupons, gift cards and gift certificates.
- Credit Card and Debt Card billing errors:
- Credit Card fraud.
- Helping consumers resolve landlord issues where there are unsafe or unhealthy living conditions.
- Rental and New Home deposit disputes.
- Identity theft.
- Misleading offers relating to cell phone purchase plans and service plans.
- Time-Share exits strategies and full disclosure by Time-Share sales companies.
- Misleading practices among unlicensed healthcare practitioners.
- Medical billing issues.
- Misleading and abusive sales practices including the failure of delivery by door-to-door and telemarketing salespersons.
- Violation of “do not call” laws.
- Internet purchase disputes and resolutions.

***Education:***

During the past year, ACC honored its commitment to help more consumers with their financial needs. This included a popular online video educational program for Millennials hosted by author, speaker and financial planning expert Kim Curtis of Denver, Colorado. Her book is *Money Secrets: Key to Smart Investing*. Kim is producing a series of short, customized videos that address major financial issues and concerns of Millennials and all consumers. As part of this video education series, ACC is encouraging Millennials to join their local credit union. These videos are available online at no cost to ACC members and credit union partners.

As a result of this financial education video series, during the past 18 months, ACC has attracted over 8,800 new members who are between the ages of 21-35 years old.

**2019 Forecast:**

We anticipate the overall American economy will continue to grow during 2019 albeit at a slower rate of 2.2% down from 3.5%-.0% in 2018.

While job growth continues and consumer confidence remains very strong, there are signs that a weakening global economy could put the brakes on the U.S. economy's rapid expansion sometime during the 3<sup>rd</sup> quarter of 2019.

As we enter the new year, 2019, the government shutdown could cause serious hardships for many sectors of the economy and weaken consumer confidence. Also, as interest rates keep rising, consumers will be inclined to spend less and borrow less money. Also, concerns over a growing trade war with China and Mexico, and the uncertainty about England's BREXIT strategy has many investors nervous.

All of these factors spell uncertainty for the new year.

***Annual Meeting:***

In compliance with our Bylaws, ACC will hold its annual meeting in Carlsbad, CA on **Friday, June 14, 2019 at the Park Hyatt Aviara**. All members of ACC are welcome to attend or participate via a conference call line.

**Thank You to ACC Board of Directors, Staff and Volunteers:**

ACC also is appreciative of our professional staff and elected Board of Directors for their dedication and support as we continue to expand our national organization and fulfill our mission of consumer advocacy, financial education, and corporate social responsibility. We are also appreciative and grateful to nearly 500 volunteer-members who support their local chapters, committees and boards. Thank you!

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