EXECUTIVE SUMMARY

“Surviving the Covid-19 Pandemic”

issued by Thomas Hinton, President & CEO
American Consumer Council • San Diego, CA • (800)-544-0414
www.americanconsumercouncil.org
OVERVIEW:

As the American Consumer Council (ACC) ends its 2019-2020 fiscal year (April 30 – May 1), and we begin a new fiscal year, 2020-2021, it is an uncertain time for consumers. There are many questions and legitimate concerns facing consumers with regard to the state of the American economy, jobs, education and health issues. Yet, despite the hardships of the Covid-19 pandemic during the months of February, March and April 2020, ACC enjoyed a robust year. Most of ACC’s fiscal year had already been completed by the time the effects of the Covid-19 pandemic hit consumers and ravaged the American economy.

I am pleased to report ACC experienced steady growth across three key metrics – membership, financial growth and program services. Below is our Executive Summary for the past 12 months covering the period of May 1, 2019 – April 30, 2020.

MEMBERSHIP:

The American Consumer Council (ACC) is pleased to report continued membership growth in 2019-2020. As of April 30, 2020, ACC experienced a net membership growth rate of 11.1% resulting in the addition of 28,118 new members giving us a total of 284,644 members (accounting for attrition). ACC and its state/local affiliate consumer councils easily surpassed its annual membership goal of 280,000 members for FY 2019-2020.

ACC is also proud of its member retention rate of 94.4%. ACC currently has members in all 50 states as well as Europe, Asia, Puerto Rico, Guam, and the U.S. Virgin Islands. Some 62.6% of ACC members continue to come from individuals who consider themselves activists, consumer advocates or mistreated consumers seeking redress through ACC. The balance of new members – nearly 33% -- are generated through ACC’s credit union partners.

Also, ACC can report that 66.3% of ACC members have some credit union affiliation while 21.1% report they have no credit union affiliation or declined to state any affiliation with a credit union. During the past fiscal year, ACC added credit union partners in Texas, Iowa, Maine and Ohio.

As noted in last year’s report, ACC continues to be selective in the size and location of credit unions we partner with. There is an associated cost in accepting a new credit union based on its location and federal and state regulations are making it more difficult to partner with credit unions. Thus, the number of members who join ACC (or one of our 177 state/local chapters) to qualify for a credit union affiliation, has declined over the past two years.
**FINANCIALS:**

Despite the lower number of credit union applications this year, ACC’s financial condition improved significantly. During the 2019-2020 fiscal year, the American Consumer Council experienced an increase in revenues, up 5.3%.

Despite the expansion of staffing and state consumer council offices leased through Regus International, ACC’s expenses increased by only 2.8% during FY 2019-2020. ACC’s net assets increased by 14.09%. The complete financial reports and statements have been provided to the Board of Directors in a separate report.

**EDUCATION**

During the past fiscal year, ACC honored its commitment to recruit more Millennials by continuing its financial education video series hosted by author, speaker and financial planner expert Kim Curtis of Colorado. Her book is *Money Secrets: Key to Smart Investing*. Each year, Kim produces a series of four customized videos (3-4 minutes each) that are credit union-friendly and appeal to Millennials. These videos are available for free to our members and credit union partners. During the past fiscal year, ACC added over 5,400 millennials to its membership ranks.

The videos are paid for by ACC and provided at no charge to our members and credit union partners.

**2019-2020 FORECAST**

We anticipate the overall American economy will be in a recovery mode through 2020 as businesses try to rebound from the Covid-19 pandemic. While ACC’s membership continues to grow, the current pace of membership growth is down to 6.2%.

Consumer spending also has declined in most major sectors. Among those industries hardest hit are: hospitality, travel, tourism, restaurants, retail and gas/oil. While online spending is growing, much of the economic spending is being fueled by Gen Z’ers and Millennials (18-35 years of age).

While this is good news for retailers, major consumer goods including auto, homes and large consumer household items such as washers, dryers and refrigerators will slump in 2020 due to unemployment and the negative impact of the Covid-19 pandemic which will negatively impact home sales and discretionary spending.

*continues next page*
If there is a second Covid-19 outbreak in the late fall of 2020, the American economy – and the global economy – could move from a mild recession to a worldwide depression depending on the availability of an effective vaccine and sufficient testing. If there is not a reliable vaccine or sufficient number of Covid-19 test kits available, political leaders will have to make a gut-wrenching decision between keeping their national and state economies open for business and running the risk of allowing another major pandemic outbreak that could jeopardize the lives of millions of citizens.

**ANNUAL MEETING:**

In compliance with our Bylaws, ACC will hold its annual meeting on **Friday, June 11, 2020 at 10:00 am PDT**. Given restrictions for social gatherings, this annual meeting will be a virtual meeting hosted by ACC and available to all members via ACC’s conference call service. All members of ACC’s Board of Directors will participate via the conference call line. For more information, please email ACC at: [info@americanconsumercouncil.org](mailto:info@americanconsumercouncil.org)

**THANKS TO ACC’S STAFF AND VOLUNTEERS:**

ACC also salutes its dedicated staff, some 598 volunteer-members who perform vital roles within our 177 state/local chapters, and ACC’s elected Board of Directors for their commitment to serving consumers during this very difficult economic period, and for their support of ACC as we continue to work towards fulfilling our mission of consumer advocacy, financial education, and corporate social responsibility.

**OFFICE CLOSINGS:**

Due to the Covid-19 Pandemic and official orders to close businesses and office buildings, most of ACC’s 177 chapter offices remain closed until June 14th. ACC remains open for business and our dedicated staff is working remotely until our headquarters and regional offices can be reopened.

Consumers who need assistance may contact us via email: [Info@AmericanConsumerCouncil.org](mailto:Info@AmericanConsumerCouncil.org) and a staff member will reply in a timely manner. Thank you for your understanding.