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WINTER

Consumer News & Views

THE OFFICIAL MONTHLY NEWSLETTER OF THE AMERICAN CONSUMER COUNCIL

In This Issue

Consumer Confidence Increases in January

The Conference Board's consumer confidence index rose to 64.6 in January of 2023 from 59.7 in December.

This is the highest since last April, and beats market forecasts of 60.5, preliminary estimates revealed.

- Year-ahead inflation expectations receded for the fourth straight month, falling to 4.0% in January from 4.4% in December, the lowest since April 2021.
- Long-run inflation expectations were little changed from December at 3.0%, again staying within the narrow 2.9-3.1% range for 17 of the last 18 months.
- The Conference Board Consumer Confidence Index® climbed in December and January following back-to-back monthly declines.
- While consumer confidence and sentiment are on the rise, sticky inflation, ongoing supply chain challenges and persistent labor shortages continue to impact consumers and business owners alike.

The **Present Situation Index**—based on consumers' assessment of current business and labor market conditions – increased from 138.3 to 147.2.

The **Expectations Index**—based on consumers' short-term outlook for income, business and labor market conditions – improved from 76.7 to 82.4.

POST-ELECTION RESULTS ON P. 2

New Year, New Me--and New Job, Too?

As the New Year is well underway, many Americans are focused on self-improvement and increasing their happiness. Many people wonder if the "new year, new me" slogan should include a job change. The Great Resignation occurred when millions of Americans walked off of their jobs after the pandemic. The novel coronavirus unearthed the underbelly of jobs and not providing enough flexibility or room for career growth.

The New Year is no different. People around the country are questioning if now is the time to move on to another career path. Gone are the days when people aim to stay at the same job for the totality of their career. More and more people are allowing their passions to surpass their interest in specific dollar amounts. The pandemic also unearthed the need to spend time where it truly enjoyed.

Here are the top tips you should ponder when considering switching your job:

Don't Rush

The first rule of looking for a new job is to not rush. Jumping too hastily at the first job prospect that comes your way can be a vital mistake. Once you leave the comfort of your old position, you may not be able to return should the new one not be what you expected. Take your time and evaluate each potential career option. Consider pay scale, location, if remote options are available, job duties, and more. Give yourself time to find the right one for you.

Discover Your WHY

Don't just "do to do". It is crucial to discover your "why". Why are you looking for a new position? Are you not being fulfilled in your current position? Why do you get up in the morning? Do you love what you do? The time to punch the clock in a place you don't love—is over. Dig deep inside yourself and discover what it is you truly want. Then go for it!

Don't Cash in Old 401-k Plan

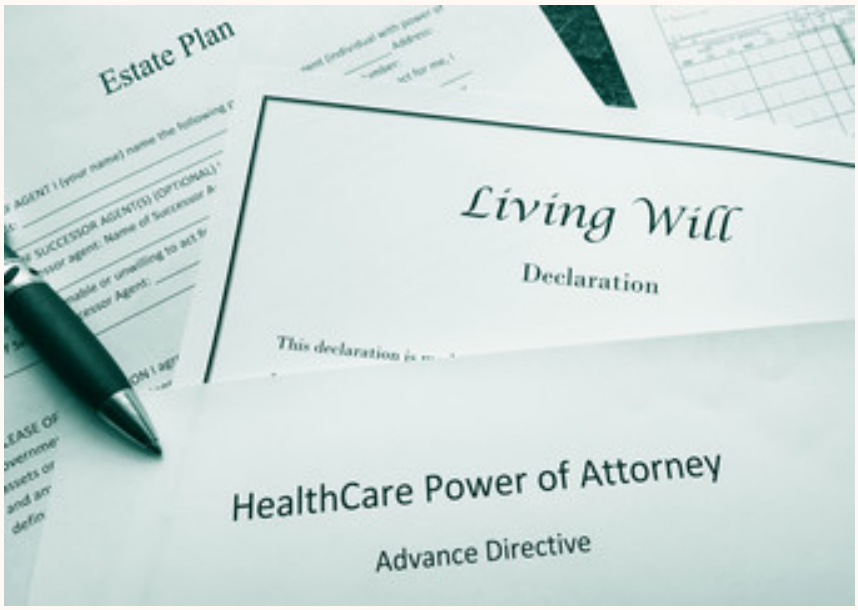
You may be tempted to cash in your old 401-k plan when you are switching careers—but you must first understand several things. You will undoubtedly pay for both state and federal income taxes. If you are under 59.5, you additionally have to pay 10% on top of the money. You have options! You can leave it with your old employer, take the money in cash, or roll it over into an IRA. The IRA plan works this best as you can invest in anything. It is an individual retirement account.

Don't Leave on Bad Terms

Changing jobs is a sign you have outgrown where you currently work. However, do not burn your bridges as you want this employer to be a reference for you. You can properly notify the person in charge of your intention to move to another company. Be sure to highlight that you appreciate the opportunity to have worked there and that you are ready to continue growing in your career path as you move forward. Always leave on the best terms possible.

Before you make the jump, take the time to reflect on what it is you truly want out of your life *and* out of your job. Be sure to leave your current job on good terms and prepare yourself for the next journey in your career. Now may be the best time to jumpstart a new career and fuel your true passions in life.

The Importance of Having an Estate Plan



It is important to begin planning your estate planning NOW! If you don't make these decisions, someone else can make the decisions for you. Estate planning is the best way to offer protection for you, your loved ones, and your assets. You can leave your legacy behind with a few simple steps.

Will and Trust

Having an active will and trust is essential to ensure you and your assets are protected. Unfortunate situations can happen, so you want to ensure you are prepared for anything.

When you are no longer here, your assets will delegate where to send everything. A will is a legal document created to manage your assets and their distribution. Your beneficiaries are chosen by you. A trust is a fiduciary arrangement that permits the trustee to hold and manage assets for the benefit of a named person.

Durable Power of Attorney

Having a durable power of attorney is one of the most important documents of your life. Should you become incapacitated, this document will help you. You do not want to end up in a situation where someone else can make pertinent decisions for you or access your financial accounts. The durable power of attorney specifies the person you want to manage your affairs. It stays in place until your death or unless it is revoked beforehand.

Healthcare Directive

Is a document that states your wishes from a healthcare standpoint. If you cannot communicate, this document will come in handy. You are entitled to live the remainder of your life the way you want to.

This document speaks for you if you are no longer able to speak for yourself. Your final wishes can be honored by creating this document specified to your unique wants regarding your life.

Estate planning can feel like a scary thing. However, consider it a necessary step to keep you, your loved ones, and your assets protected should the day come that you are no longer here. These documents can remove the option of a messy probate and court situation amongst family members, including losing your hard-earned assets.

Without estate planning, you risk your legacy. Get started on your estate planning today!

Is a Recession on the Horizon?

Many economists, including luminaries Larry Summers and Nouriel Roubini, anticipate a recession next year.

And so does Beth Ann Bovino, chief U.S. economist at S&P Global Ratings.

"Continued high prices through most of next year and the Federal Reserve's decision to aggressively raise interest rates ... are leading households to pull back on spending and businesses to cut costs in response to slowing demand," she wrote in a commentary.

"We continue to expect the U.S. will fall into recession in 2023. We expect GDP growth to weaken to negative 0.1% in 2023." And she expects GDP will slip 0.8% from its peak to its trough, "a mild recession in line with the 1969/1970 recession."

Purchasing Power

Rising prices and interest rates eat away at private-sector purchasing power, Bovino noted. And only one of nine leading indicators that are part of S&P's Business Cycle Barometer was in positive territory through October.

The inverted Treasury yield curve also points to recession, she said. An inverted yield curve occurs when short-term Treasuries have higher yields than long-term Treasuries. The 10-year yield recently stood at 3.75%, compared to 4.72% for the one-year yield.

"Economic momentum has protected the U.S. economy this year," Bovino said. But in addition to rising inflation and interest rates, "with the Russia-Ukraine conflict ongoing, tensions over Taiwan escalating, and the China slowdown exacerbating supply-chain and pricing pressures, the U.S. economy appears to be teetering toward recession," she said..

Continued supply-chain disruption and rising inflation may result in the Fed continuing to lift rates into mid-2023, "damaging household purchasing power," Bovino said.

Bulging Inventories

"As households shut their pocketbooks, businesses that built up inventory to meet surging demand will be left with full shelves."

That means "the Fed will ultimately get its wish of lower inflation, and businesses will be forced to sell at a discount, bringing down prices," Bovino said.

Like most other economists, she expects another Fed rate increase this year, predicting the federal funds rate will reach 5% to 5.25% by second-quarter 2023. Fed funds now stand at 3.75% to 4%.

The Fed will ultimately lower rates late next year on signs prices are stabilizing, Bovino said. She doesn't expect inflation to not approach the Fed's 2% target until late 2024. The Fed's favored inflation indicator, the personal consumption expenditures price index, soared 6.2% in the 12 months through September.

Creating Life Balance in a Post-Covid World

The pandemic gave a lot of workers time to think and reconsider what they wanted out of their work situations. This reflection led to what became known as the Great Resignation, where many people left their jobs for new opportunities.

The truth is, most people didn't leave their job only because of wage or benefits issues. Many also left in pursuit of what is known in Greek as "eudaimonia." According to Britannica, in conventional translations to English, this word means "happiness." Simply put, many people left their jobs for the pursuit of happiness.

Many employers have seen the Great Resignation as a defeating period for their business, but there are a lot of things you can learn about creating a better work environment for your employees. I believe work-life balance is an essential part of why employees stay where they are, so knowing how to give them a good work-life balance is crucial today.

Why does the Great Resignation matter?

While it might be easy for some to write off this mass exodus as workers looking for reasons to complain, it's important for employers to take it seriously. The pandemic gave many employees a taste of what their work-life balance could look like, and it's not an experience they'll be quick to forget. This means it's crucial to listen to their feedback and improve the areas of concern in your workplace.

A Pew Research Center survey of workers who quit their jobs in 2021 found that the top three reasons people left were due to low wages (63%), lack of ability to advance in the company (63%) and not feeling respected (57%). These numbers are staggering and should make you want to do something to keep your employees around. However, desire without a plan will get you nowhere.

What makes employees happy?

It's easy to assume that money is the main motivation for being happy at a job, but research doesn't back up that idea. According to a survey by Indeed, while lack of fair pay is a top reason employees consider leaving, the top three things that make employees feel truly happy at work are:

- Feeling energized and motivated by their tasks.
- Feeling like they belong in their workplace and company.
- Feeling like they have a clear purpose for being at work.

Where did being paid fairly rank in the survey in terms of bringing happiness at work? It landed in last place, with only 5% of people stating that as their biggest happiness motivator.

With this information in mind, it's time to look at what you can do as an employer to help your employees feel truly happy at work, thus allowing for higher tenure across the board. Here are some of my tips on how to give your employees a better work-life balance.

Consider keeping it remote.

The pandemic resulted in a large majority of employees working from home for an extended period of time. This change in location gave many people a work-life balance they didn't know was possible before, making it much harder for some to come back to the same old office routine.

If your company is able to, consider either keeping your employees fully remote or allowing them to work from home part of the time. By now, most of the kinks have likely been worked out of remote working, so it shouldn't be a hard thing to offer your employees. While remote work isn't for everyone, many employees thrived while working remotely.

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Praise your employees.

It's so easy to only talk to an employee one-on-one when they need to be corrected. However, this can lead to them feeling underappreciated, which is one of the main reasons for leaving a job in the current environment. Make it a point to let your employees know when they've done something well.

It goes even further if you praise them in front of their peers. This doesn't have to be a formal recognition ceremony, though it could be. You can simply send out an email or a message to the whole team to recognize hard work and dedication. Praise really does go a long way in the workplace.

Lead by example.

Have you ever heard the saying, "People don't quit jobs; they quit managers"? While this might just seem like a catchy saying, there's a lot of truth behind it. In fact, one survey found that 82% of workers would consider quitting a job because of a dislike for management. This means it's crucial to be a manager people like.

Being a likable manager doesn't mean you never correct or penalize. Believe it or not, that's not at all what employees want. Instead, they want managers who have an open line of communication. Why are people leaving managers? Here's some more information from that survey:

- Only 32% of people believed their managers cared about their personal advancement in the company.
- Only 39% said their manager was transparent and honest about opportunities for promotion.

These low percentages touch on many of the top reasons employees report leaving a company.

As a manager, it's crucial to be approachable to your employees. Also, when possible, promote from within the company. Talk to employees and see who is interested in moving up, and then work with them to make it happen when opportunities arise.

In short, picture the manager you would have wanted to have—and then be that manager for your employees.

The Great Resignation might be scary for an employer, but it doesn't have to be. I believe giving your employees an enjoyable work-life balance is the best way to get them to stick around for the long haul. Many employees want to find a job that becomes a career. They're just looking to find the right environment to make it happen. With these tips, you can begin creating that environment during the post-pandemic transition.

Top 5 Tips on Creating a Successful Home-Based Business

We all have the dream to eventually work from home one day. We have longed for the days of working for ourselves with no boss to answer to and no more 9 to 5. With the beauty that is the internet, a home-based business is within reach now more than ever.

There are several important steps to setting up a home-based business. But before you get too ahead of yourself, you must consider the necessary steps it takes to create a successful, work-from-home foundation. Here are the top 5 tips on creating a successful home-based business:

Choose a Business Structure and Name

Before you begin, choose a business structure for your new business. The following are available options for you:

·Sole Proprietorship
·Partnership
·Limited Liability Company (LLC)
·S Corporation
·Corporation

If you are unsure as to which structure you fall under, hire a business lawyer to determine your personal and business needs.

Select and Create Your Working Space

This is an imperative step to setting up a successful work-from-home atmosphere. Select and create a space in your home free from distraction. Whether a full room or a small, dedicated space, purchase a desk, computer, printer, and live internet connection.

A place away from common areas is the best bet to ensure an efficient working environment.

Open a Business Banking Account

When you are ready to begin working from home, open a business account devoted to your business finances. Many people believe a personal banking account will suffice. This is not correct! Come time for tax season, if you run the risk of being audited, it will be hard to prove what income and expenses are considered personal and what is business-related.

Having a business account also makes it easier to keep track of profit and losses.

Design a Business Plan

Before you go live, design a business plan. Consider your budget, your mission, your product, and/or services you offer. Develop a market strategy and analysis of how you plan to operate your business as well as a market analysis.

Decide what makes your product/service unique compared to your competitors. Conduct a financial analysis based on what your goal numbers are whilst filtering in your profits versus losses.

Execute

Once all of the previous steps are in order, it is time to open up shop! However, there is one last vital step. Research your state laws regarding what kind of permit you need to work from home. You can visit your local government to file your business and register as a legal business entity.

Contacting a business attorney is another great step to beginning a business from your home.

How to Dispute an Error on Your Credit Report

To dispute an error on your credit report, contact both the credit reporting company and the company that provided the information.

Dispute the information with the credit reporting company

If you identify an error on your credit report, you should start by disputing that information with the credit reporting company (Experian, Equifax, and/or Transunion). You should explain in writing what you think is wrong, why, and include copies of documents that support your dispute. You can also use our instructions and template letter as a guide.

If you mail a dispute, your dispute letter should include:

- Contact information for you including complete name, address, and telephone number
- Report confirmation number, if available
- Clearly identify each mistake, such as an account number for any account you may be disputing
- Explain why you are disputing the information
- Request that the information be removed or corrected
- Enclose a copy of the portion of your credit report that contains the disputed items and circle or highlight the disputed items. You should include copies (not originals) of documents that support your position.

You may choose to send your letter of dispute to credit reporting companies by certified mail and ask for a return receipt, so that you will have a record that your letter was received.

You can contact the nationwide credit reporting companies online, by mail, or by phone:

Equifax
Online: www.equifax.com/personal/credit-report-services/credit-dispute/
By mail: Download the dispute form
Mail the dispute form with your letter to:
Equifax Information Services LLC
P.O. Box 740256
Atlanta, GA 30348
By phone: Phone number provided on credit report or (866) 349-5191

Experian
Online: www.experian.com/disputes/main.html
By mail: Use the address provided on your credit report or mail your letter to:
Experian
P.O. Box 4500
Allen, TX 75013
By phone: Phone number provided on credit report or (888) 397-3742

TransUnion
Online: https://dispute.transunion.com
By mail: Download the dispute form
Mail the dispute form with your letter to:
TransUnion LLC
Consumer Dispute Center
P.O. Box 2000
Chester, PA 19016
By phone: (800) 916-8800

Keep copies of your dispute letter and enclosures.

Dispute the information with the company who provided the information (also known as the furnisher)

What happens after you dispute information on your credit report?

Credit reporting companies must investigate your dispute, forward all documents to the furnisher, and report the results back to you unless they determine your claim is frivolous. If the consumer reporting company or furnisher determines that your dispute is frivolous, it can choose not to investigate the dispute so long as it sends you a notice within five days saying that it has made such a determination.

If the furnisher corrects your information after your dispute, it must notify all of the credit reporting companies it sent the inaccurate information to, so they can update their reports with the correct information.

If the furnisher determines that the information is accurate and does not update or remove the information, you can request the credit reporting company to include a statement explaining the dispute in your credit file. This statement will be included in future reports and provided to whoever requests your credit report.

How Much Money Do I Save for Retirement?

It is no secret that most Americans aren't saving enough for retirement. According to the National Institute on Retirement Security (NIRS), more than 75% of Americans have retirement savings that fall short of conservative savings targets, and 21% aren't saving at all.

But how exactly do you decide how much the average American should be saving for retirement? More importantly, how much should you be saving for retirement?

Let's take a closer look at the main retirement savings guidelines, and help you understand how much you should have saved for retirement at the different stages of life.

How Much to Save for Retirement?

According to Fidelity, you should be saving at least 15% of your pre-tax salary for retirement. Fidelity isn't alone in this belief: Most financial advisors also recommend a similar pace for retirement savings, and this figure is backed by studies from the Center for Retirement Research at Boston College.

For many people, however, saving for retirement isn't as simple as setting aside 15% of their salary.

The 15% rule of thumb takes a couple factors for granted—namely, that you begin saving pretty early in life. To retire comfortably by following the 15% rule, you'd need to get started at age 25 if you wanted to retire by 62, or at age 35 if you wanted to retire by 65.

It also assumes that you need an annual income in retirement equivalent to 55% to 80% of your pre-retirement income to live comfortably. Depending on your spending habits and medical expenses, more or less may be necessary. But 55% to 80% is a good estimate for many people.

Finally, the 15% rule won't provide you with a nest egg that supplies all of your retirement income. You'll most likely derive part of your retirement income from Social Security, for example. All in all, the 15% estimate should provide you with steady retirement income that lasts into your early 90s, at a rate of around 45% of your pre-retirement income.

The Impact of Time on Retirement Savings

Time is your most powerful ally for retirement savings. Small amounts invested early in your career can grow substantially larger than even big amounts invested later in life.

Let's face it, most Americans can't afford to set aside a full 15% of their income for retirement. But don't let that discourage you. Investing any amount for retirement positions you to benefit from compounding as soon as possible.

Consider two hypothetical investors. Investor A starts investing $100 a month at 25. By age 65, they would have a retirement balance greater than $640,000, assuming annual returns of 10%, which is the average return of the S&P 500 over the long term.

Meanwhile, Investor B waited until 35 to start saving, but invested $200 a month. Investor B would have almost $200,000 less in their retirement balance by age 65, despite contributing almost $25,000 more.

The difference between Investor A and Investor B illustrates the power of time and compounding when understanding investment returns. A difference of just 10 years can dramatically impact potential returns earned by your investments.

More importantly, it also shows that you can still achieve very significant returns even if you can't start investing quite as early in your life. In the second scenario, Investor B only contributed $72,000 of their own money, starting at age 35. From that, they earned almost $380,000 in investment returns.

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How Much Should You Have Saved for Retirement Now?

Not everyone is able to start saving at age 25, or consistently save 15% of their salary for retirement. If you start later in life, or save a bit less, you may have to work longer, cut more expenses, or contribute more of your money to retirement to make up for less time and compounding.

Catch-up tip: If you're behind, consider investing a portion of your emergency fund at year's end in a Roth IRA. Because Roth IRAs are funded with after-tax dollars, you've got options for making penalty-free withdrawals. Handled carefully, a Roth IRA can help you get more growth from your emergency fund. The majority of your emergency fund should remain in a more liquid account, though.

How to Save for Retirement in Your 30s

Once you enter your 30s, you're moving out of entry-level jobs and earning more. You may still be paying down student loans or other debts. But keep saving for retirement even as you remain laser-focused on paying down your debt. The longer you carry debt, the more you pay in interest and the less you'll have available to save.

Saving for Retirement in Your 20s

In your 20s, you've only recently entered the workforce and started receiving regular paychecks. As you learn to grapple with all of life's expenses, don't put off saving for both retirement and for a rainy day.

- **Emergency fund:** Start your emergency fund and aim to save three to six months of living expenses in cash savings.
- **Retirement savings:** Make sure you're enrolled in your employer-sponsored retirement plan and contributing at least enough to get your full company match. If a company plan is unavailable or not great, choose either a Roth or traditional IRA. Even if you're focused on paying down debt, you should make sure you invest small amounts for retirement. **By the time you turn 30, aim to have at least your current annual salary in retirement savings**.

Saving for Retirement in Your 40s

A lot can happen in your 40s. You may be itching for a career change, or might find yourself settling into a more senior role with a higher salary. Either way, your 40s are a time to keep your debt to a minimum and your savings at a maximum. If a career shift or new business venture is in your plans, cash savings outside of your retirement accounts can fund your dreams—keep your retirement money hard at work.

- Emergency fund: Do a check-in and make sure that you still have at least six months of living expenses saved, especially if you've bought a house or started a family.
- Additional savings: Keep using a taxable brokerage account to invest additional savings.
- Educational savings: Keep contributing to your educational savings plans for your kids.
- Retirement savings: Review your contribution percentage annually, especially if your compensation has significantly increased. By the time you turn 50, aim to have six times your current annual salary in retirement savings.

Catch-up tips: If you're feeling behind in your savings, review your expenses and see where you can cut back. Each month, save any extra money in your IRA or emergency fund to further protect your retirement savings. You could also consider a side hustle to bring in some extra cash to boost your savings.

How to Save for Retirement in Your 50s

By the time you reach your 50s, you're heading for the home stretch. That doesn't mean, however, that you're done working or saving. This is the right time to pay off your mortgage and ensure your overall debt is at a minimum. Stay the course with your savings and speak to a financial advisor about gradually adjusting your investment strategy as you near retirement.

- **Emergency fund:** Keep your emergency fund topped up, especially if unexpected expenses have come along.
- **Additional savings:** Invest additional savings once you max out your contributions to individual and employer-sponsored retirement plans.
- **Educational savings:** Once the kids head off to college, tap these funds to pay for college. Funnel the amount you were saving for college expenses into your retirement and taxable brokerage accounts.

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• Retirement savings: Review your contribution percentage annually. Once you turn 50, you're eligible for an increased annual contribution limits in tax-advantaged retirement accounts. If you're behind on your goals, take advantage of these increased thresholds. By the time you turn 55, aim to have seven times your current annual salary in retirement savings across all of your savings and retirement accounts. By the time you turn 60, you should have eight times your annual salary in retirement savings.

Catch-up tip: If you need some extra cash to sock away, you explore seasonal employment around the holidays to up your annual retirement savings rate.

Saving for Retirement in Your 60s

Retirement is around the corner in your 60s, and the time's almost come to enjoy the money you've worked so hard to save. Consider shifting to capital preservation and income-generating investment strategies. These fixed income investments tend to be stable bonds or fixed annuities aimed to keep the money you've saved over the years safe.

As you'll most likely be entering the last of your full-time working years, you'll want to keep saving as aggressively as you can.

• Emergency fund: Consider upping your cash savings to one year's worth of living expenses, so you have more cash on hand for things like medical expenses.

• Additional savings: Review your risk tolerance and investment strategy with an eye toward capital preservation. Financial advisors may be particularly helpful now in helping you figure out how to handle the asset allocation of your retirement funds.

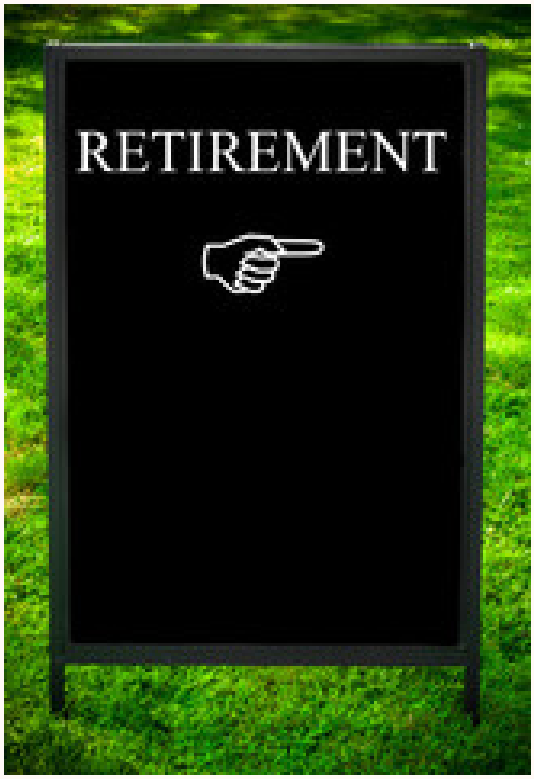
• Educational savings: If you have children still in college or grandchildren whose college you'd like to help out with, you can continue contributions to 529 accounts.

• Retirement savings: Make sure you're contributing as much as you can before you retire. By the time you turn 67, you should have 10 times your annual salary in retirement savings.

Catch-up tips: Even after retirement, there are always part-time jobs that can supplement your income (and potentially provide health insurance, if you're pre-medicare) as you adjust to living on your savings and Social Security income.

The Bottom Line

Even if you feel like you're behind with your savings, there are always ways to catch up and save a bit more. Don't be afraid to ask for help. A financial advisor can help you review your current savings (even if you haven't started yet) and help chart a course for long-term retirement savings success.



Death by Fischer-Price Toys on the Rise

Almost four years after a Consumer Reports investigation prompted the recall of millions of popular infant inclined sleeping products, including the Fisher-Price Rock 'n Play, more child deaths are being linked to these products. But how is this possible since they were recalled years ago?

Consumer Reports and other product safety experts said companies are not doing enough to warn parents about the dangers that still exists.

In the spring of 2019, Fisher-Price and Kids2 infant inclined sleepers were recalled after a Consumer Reports investigation revealed that at least 36 deaths were linked to their products. Since then, the number of deaths have tripled. New information released is a stark reminder that these dangerous sleep products are still in use.

According to the Consumer Product Safety Commission, at least eight additional babies have reportedly died in the Fisher Price's Rock 'n Play Sleeper, and four have died in the Kids2 rocking sleepers since the recall, bringing the total number of deaths for both sleepers to more than 100.

"These sleepers position infants on an inclined sleeping surface, and that increases the risk of suffocation if it makes their heads drop forward onto their chests while they're sleeping," said Consumer Reports Investigative Reporter, Lauren Kirchner. "Sadly, the news that additional infants have died means that even while the inclined sleepers cannot legally be sold, they are still being used in people's homes."

Kirchner said when a product gets recalled, it is the manufacturers responsibility to both get it out of the stores and to alert people who already own it to stop using it immediately. And safety experts said that they just haven't seen Fisher-Price or Kids2 do enough in that area.

According to Mattel, Fisher-Price's parent company, as of last March only 9.5 percent of Rock 'n Play had been accounted for since the recall. In other words, more than four million recalled sleepers are potentially still in use.

The company added that Fisher-Price "has worked diligently to remove all recalled products from the market" since the recall of Rock 'n Play in 2019.

Kids2 did not respond to a request for comment from Consumer Reports.

To keep your baby safe, the American Academy of Pediatrics recommends that babies be put to bed only in products that meet federal safety requirements for infant sleep, such as a bassinet, a crib or play-yard.

If you're having a hard time getting your infant to sleep, ask your pediatrician for tips rather than using an unsafe positioning product.

Consumer Product Safety Commission recommends that if anyone sees one of these recalled sleepers for sale, that they report it to the agency at saferproducts.gov.

How a Better Credit Score Can Mean a Better Life

Your credit, good or bad, can have an impact on almost every aspect of your life, from having a roof over your head to getting a job.

What can good credit get you? You may be able to save thousands on your mortgage, auto loan, credit card rates and auto insurance. You'll have more money in your pocket, which you then could use for investments or savings to make even more money.

What harm does bad credit do? It costs you in the form of higher borrowing rates, may keep you from buying the house or car you want, and may even keep you from getting the job you want. Debt and your security clearance don't mix. If you have excessive debt, you may have trouble keeping or getting a security clearance.

"Having good credit is really about access," said Lauren Bringle Jackson, an accredited financial counselor and content manager at Self.inc. "The better your credit, the more options you have when it comes to getting credit cards, loans, etc. You can shop around and choose what works best for you, rather than just taking whatever you can get.

"Bad credit limits your options, and usually costs you more money because you get charged higher interest rates or have to make bigger down payments to cover the risk your bad credit poses to lenders."

Changing bad credit, boosting average credit and maintaining good credit are the absolute most important things you can do for your financial health.

What Is a Credit Score Used For?

The heart of your credit standing is your credit score, and a good or excellent score packs quite a financial punch. You can bank anywhere from thousands of dollars to hundreds of thousands of dollars by raising your score and opening the door on many financial opportunities.

"Improving your credit score enough so you get a 1% better rate on your mortgage saves thousands over the life of the mortgage," Anna Lusardi, professor of economics at George Washington University, said. "Knowing your credit scores – and how to improve it – is one of the most important things you can do to improve your financial life."

Credit scores on both the FICO and Vantage scale are between 300 and 850. With FICO, anything above 740 is excellent, less than 580 poor. Vantage is about the same: Excellent is above 780, poor below 600. In 2020, the average FICO score nationwide increased seven points to 710, the highest since scores were tracked. Homeowners who took out mortgages in the fourth quarter of 2020 had a median credit score of 786, according to the Federal Reserve Bank of New York.

Someone in the poor credit score category often will pay 50% or more to borrow the same amount of money as someone in the excellent category. But those consequences extend beyond borrowing money.

Good Credit Means More Options to Buy or Rent

One of the biggest things your credit score will affect is the roof over your head. And that's not just limited to mortgages — renters, too, will feel the sting if they have bad credit.

The National Association of Realtors says that the average consumer will buy between three and four homes during a lifetime. The cost of getting started has gone up steadily, so having a good credit score is crucial, no matter whether it's your first or fourth home.

The higher your credit score, the better your interest rate for a mortgage.

Paying Less for the Same Mortgage

The average homebuyer, with a good credit score – somewhere above 700 – will pay thousands (maybe tens of thousands) less over the life of a 30-year mortgage than someone with a credit score of 620 or under. A credit score of 730 to 760 is required to get the best rates on loans.

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The out-of-pocket cost to the borrower with poor credit: $179 per month. Which is where something called "opportunity cost" figures. That cost measures the lost opportunities because of the extra payment. If the woman with better credit invested $100 of the $179 savings each month and made just 5% on the investments (a conservative figure), she'd had earned another $80,158 over 30 years, money that could be used for retirement or college expenses for the children. If she invests all $179 of that monthly savings, she'd have $143,484 to her name.

The neighbor with poor credit misses a great opportunity to help himself and/or his family.

"Credit scores are a huge factor in determining the risk a lender is willing to take," Fred Kreger, president of the Association of Mortgage Professionals, said. "We want to give you the best rate we can because we want repeat customers. If I'm essentially going to write you a check to buy a home, I need to be able to trust you. Credit scores help me build that trust."

No-Hassle Renting

There are few statistics on how many landlords require credit scores, or what score they require, since, unlike mortgages, those figures aren't compiled. Many landlords do require credit scores, particularly in large urban areas. The best rule of thumb is to assume your credit will be checked before you sign a lease.

According to The Mortgage Reports, less expensive rentals generally require a score of at least 600 to 620. More expensive apartments can require a score of 740 or higher. Many landlords will require those with low scores make extra deposits, guarantors, or pay extra months of rent in advance. A study of more than 5 million rental applications by RENTcafe showed that the average U.S. renter's credit score was 638 in 2020 – a number that increased by one point in each of the last three years.

While a higher score doesn't mean a lower rent, it does mean a better apartment, and possibly fewer extra fees from the landlord.

"Many landlords use credit checks to filter out prospective candidates," Logan Allec, a CPA, personal finance expert, and owner of personal finance blog Money Done Right, said.

"This is even more common when being evaluated for a more expensive property. Your bad credit could separate you from the place of your dreams, even if you're a perfect candidate otherwise."

Save Money on Utilities

A good score also means that renters and homebuyers, who must pay utilities, can save money by not paying a security deposit on utilities, such as gas, electric and water. Those with poor credit may also have to pay on delivery for heating fuel or other utilities, rather than being billed.

Better Car Loan Rates

The COVID-19 pandemic hit the auto industry in 2020, but not as badly as initially feared. Total car and light trucks sales were about 14.6 million in the United States in 2020, down 14.6% from the previous year. That's not ideal, but with plant shutdowns hitting the industry, the decrease from 17.1 million in 2019 could have been worse.

The challenge continues in 2021, as companies are having a hard time obtaining the chips needed to run circuits in cars and trucks. General Motors idled four North America plants for four months this year and has decreased its expected pretax 2021 by between $1.5 and $2 billion. Ford said it could reduce second quarter production by one-half.

Your Credit Score and Employment

A bad credit score may keep you from getting a job, especially in the financial industry. Companies look for dependable, trustworthy employees and might view a poor credit score as an indication that an individual isn't responsible.

A study by Career Builder found that 29% of employers who do background checks, include credit checks. Employers must get the applicant's permission to check a credit score, and you don't have to grant it, but not doing so probably won't help your chances of getting hired.

"Having a good credit history boosts your credibility and trustworthiness to an employer before you walk in the door," Allec, the personal finance expert, said.

Get started on improving your credit score today for an even better life tomorrow!

Prices Keep Rising for Prescription Drugs

With pharmaceutical companies hiking prices on nearly 1,000 drugs in January, some consumers might experience sticker shock next time they pick up prescriptions.

The price increases come as a new federal law requires companies to pay Medicare a rebate if they increase prices above the rate of inflation. Other Inflation Reduction Act provisions — such as capping Medicare recipients' out-of-pocket expenses at $2,000 and allowing Medicare to negotiate the costliest drugs — haven't kicked in yet.

Major drug companies such as AbbVie, Pfizer and Bristol-Myers Squibb have raised prices so far this month, according to data provided by 46brooklyn Research, a nonprofit that researches drug pricing. The amount consumers pay depends on their insurance coverage and complex rebates often hidden from public view.

Drug affordability remains a top worry for consumers. About 3 in 10 people don't take a drug as prescribed over concerns about cost – some don't fill prescriptions, others skipped doses or sought cheaper over-the-counter medication, according to a Kaiser Family Foundation poll last year.

Analysts say it's too early to tell whether this month's batch of price hikes were influenced by the federal law. But experts say drugmakers likely will launch new drugs with more expensive prices and seek to maximize sales before Medicare can bargain for more affordable prices.

"Raising prices each year will become more difficult," said Dr. Benjamin Rome, a Harvard Medical School professor of medicine. "You're going to see changes in pricing behavior over the lifecycle of medicines based on the Inflation Reduction Act."

How much are companies hiking prices?

Drug companies often roll out price increases in January for existing drugs, but the amount of the price hikes vary from year to year.

The data from 46brooklyn tracks list prices for drugs but does not include rebates and discounts to insurance companies or pharmacy benefit managers. Such rebates are becoming more expensive each year and don't always result in cheaper prices for consumers. .

Through the first three weeks of January, drugmakers raised prices on 985 products.

It's the most January hikes sought by manufacturers since at least 2011, according to 46brooklyn, which found:

- The median price increase so far this year is 5%.
- This increase is slightly higher than last year's 4.9% but lower than when rates spiked 9% in 2015 and 2016.
- Prices on more than two dozen drugs swelled 10% or more, but the vast majority had smaller increases, and prices on more than two dozen drugs increased 1% or less.
- GE Healthcare imposed the largest price increase, 26% for Omnipaque, a drug people take before undergoing imaging tests such as CT scans.

Expect higher launch prices for new drugs

Medicare will seek to rein the costs of the most expensive drugs by directly negotiating with manufacturers. By Sept. 1, the federal health program will select the first 10 drugs to negotiate maximum prices that will take effect in 2026.

The federal health program will negotiate more retail "Part D" drugs and physician-administered "Part B" drugs, but drugmakers will get several years of pricing autonomy before drugs are subject to negotiation. Part D drugs are eligible only after they have been on the market for nine years. Physician-administered drugs will have 13 years before being subject to negotiation.

The federal law does not limit the amount manufacturers charge once they begin selling new drugs after gaining Food and Drug Administration approval.

One study found the typical launch prices for new drugs increased 20% each year over the past decade and a half, contributing to total U.S. spending on prescription drugs of over $500 billion in 2020.

Nearly half of new drugs cost $150 000 per year in 2020 and 2021. Fewer than 10% of new drugs launched at that price in 2008, according to a study last year co-authored by Harvard's Rome.

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Because Medicare will limit annual price increases to the rate of inflation, Rome said some manufacturers might "start at a higher price to give themselves a breathing room."

Prices increase on blockbuster drugs Humira, Eliquis and Stelara

Drugmakers with widely prescribed medicines that have been on the market for years are raising prices despite looming competition.

Manufacturer AbbVie will raise the price of its blockbuster anti-inflammatory drug Humira by 8%. The world's top-selling drug generated more than $20 billion in sales last year, but generic biosimilar competitors are set to launch later this year.

Other top-selling drugs that will see price increases:

- Eliquis, a blood thinner from Bristol Myers Squibb and Pfizer, will rise 6%.
- Imbruvica, a cancer drug, is up 6.2%.
- Stelara, used to treat plaque psoriasis, psoriatic arthritis and Crohn's disease, is up 4%.

Some of the steepest prices hikes are reserved for hospital drugs, not medicines consumers pick up at pharmacies.

Pfizer will raise prices by 10% on more than a dozen sterile injectable drugs used in hospitals.

Many of the drugs are inexpensive with the price increases amounting to $1 or less. The drug giant said it is spending $2 billion to upgrade manufacturing to ensure high-quality, reliable supply.

Analysts say drug companies also must factor in the growing power of middlemen called pharmacy benefit managers. These organizations influence whether a drug gets on an insurance plan's formulary. In exchange, these middlemen demand concessions from drug companies in the form of rebates or drug discounts.

"We love to think that drugmakers sit there and say, 'Hey I can just charge a million bucks get away with it,' – and sometimes they can," said Antonio Ciaccia, CEO of 46brooklyn.

But Ciaccia said some drug companies hike prices so they can pay rebates to pharmacy benefit managers. They also charge higher prices to offset discounted drug programs such as Medicaid, the government program for low-income families.

"A lot of things go in the sauce when they're trying to create the price," Ciaccia said.

Officials with the drug industry organization, the Pharmaceutical Research and Manufacturers of America, said too often insurance companies and pharmacy benefit managers don't pass rebates and discounts to consumers.

"More than half of what's spent on medicines goes to entities that don't make the medicines, said Priscilla VanderVeer, a PhRMA spokeswoman. "These entities, including insurance companies and middlemen like PBMs, are profiting at the expense of patients. Unless we fix what's broken, patients will be the ones losing out."

Welcome one of our credit union partners!

As a nonprofit consumer education organization, ACC has developed partnerships with credit unions across the country. These partnerships allow ACC members eligibility with our credit unions. If approved, our members gain access to a member-owned financial institution, with products and services designed to make banking more affordable, simple and convenient, and to offer additional resources that can help our members identify and achieve their financial dreams.

RVA Financial
1700 Robin Hood Rd.,
Richmond, VA 23220
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At Since 1950, we have served Richmond and the Metro Richmond area. As a non-profit financial cooperative, we are here solely to empower you and our wonderful community.

Our History

RVA Financial was organized on August 23, 1950 as the Richmond, Virginia Municipal Federal Credit Union to provide financial services to employees of the City of Richmond. The National Credit Union Administration approved the charter the following month, and the first membership meeting was held on September 14, 1950.

During its history, the credit union has operated in a variety of locations beginning with the basement of the old City Hall on West Franklin Street. In 1982, after having had a total of six homes, the credit union relocated to the 16th Floor of the City Hall Building to an office that remains operational today.

In 1984, the first branch was opened in the Schools Building near the home of the Atlanta Braves Triple-A farm team at The Diamond. In the spring of 1989, the credit union opened a brand-new replacement location at 1700 Robin Hood Road to serve as the head office, now known as the Thomas J. Amiss Credit Union Center. At the same time, the name of the credit union was changed to VaCap Federal Credit Union to reflect the fact that membership eligibility had been expanded to include employees of entities other than the City.

In March 1991, Richmond Memorial Hospital Credit Union and their 2000 employee membership was merged and less than a year later, the local credit union for Kraft Foods joined VaCap. In 2007, the name VaCap was changed to New Generations.

A community charter was granted to New Generations in 2014, allowing the credit union to serve those who live, work, worship, or attend school in the City of Richmond as well as the surrounding counties of Chesterfield, Goochland, Hanover, and Henrico. Additionally, the immediate family members of those individuals eligible for geographical reasons are also eligible for membership.

In 2017, with a desire to return to our roots and serve the City of Richmond, we changed our name to RVA Financial. Today, RVA Financial serves over 13,000 customers, referred to as members. Our members each own a piece of the credit union and have a say in its operation as a non-profit financial cooperative.

Expect the best out of life, but be prepared.

You've always done what's right for the ones you love. Taking steps to ease the financial burden if you were to die is just one more way to show you care.

TruStage® Life Insurance can help give you peace of mind today and provide an income-tax free cash benefit for your family. It can help pay expenses you might leave behind like funeral costs, mortgage payments or unpaid debts.

TruStage helps make it easy to compare insurance and explore options you can afford—so you can make a good decision today for your family:

- Compare life insurance options
- See instant quotes based on your budget
- Apply online or over the phone

Don't wait another day to be prepared.

A Tradition of Strength

TruStage is underwritten by CMFG Life Insurance Company, which is rated "A" (Excellent) as of February 2017 by A.M. Best, an independent rating service that evaluates financial stability and operating performance. "A" is the third-highest of 16 ratings.

TruStage Insurance: Simple, Straightforward, Designed to Fit your Budget.

Insurance is part of a solid financial plan. From finding a policy that fits your budget to making sure your coverage is adequate, dependable insurance can help give you peace of mind today and financial relief when you need it.

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To get quotes or just explore your options, visit TruStage.com.

For more information about our services, visit us today at www.rvafinancial.com or call us at (804) 359-8754.

Welcome one of our credit union partners!

As a nonprofit consumer education organization, ACC has developed partnerships with credit unions across the country. These partnerships allow ACC members eligibility with our credit unions. If approved, our members gain access to a member-owned financial institution, with products and services designed to make banking more affordable, simple and convenient, and to offer additional resources that can help our members identify and achieve their financial dreams.

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At New England Federal Credit Union,

At NEFCU we support you in achieving your financial goals. NEFCU's Financial Education Program includes a variety of resources, events, and tools to help grow your confidence as you manage your money. Topics include:

- Managing Debt
- Short & Long-Term Saving Goals
- Home Buying & Mortgages
- Retirement & Investing
- and more...

Browse information from NEFCU, Zogo, and Enrich. Zogo and Enrich are select partners that offer additional resources and information for our members in interactive context.

Are there additional topics you would like to learn more about that are not included in our program? Let us know. We are continually optimizing the Financial Education program and would greatly value your input.

At NEFCU, we're in the business of empowering our members to make good financial decisions so you can improve your overall quality of life. We offer solutions that are tailored to your needs and appropriate to your circumstances. We provide our members with a full range of financial products and services, with very competitive rates, fewer fees and unparalleled levels of convenience.

We understand that a local, Vermont-based financial institution can only be as strong as the communities which it serves. Therefore, we are actively engaged in community events and programs that help to improve the overall quality of life here. To learn more about our community involvement, see our Facebook page. To request financial or other support, please see our charitable giving guidelines.

Our dedication to a higher standard of service and the value in our products help us to consistently exceed NEFCU members' expectations.

New England Federal Credit Union

We believe in community and connection. That is why we offer the following services and podcasts for your reference and education:

- Personal Finance
- Budgeting Tips
- Improving Your Credit Score
- Developing a Personal Plan
- Saving for Short & Long-Term Goals
- Home Buying
- Preparing to Purchase Your First Home
- Mortgage Fundamentals
- The Mortgage Pre-Approval Process
- Mortgage Refinance
- Car Buying
- How to Negotiate at the Car Dealerships
- Things to Remember When Buying a New Vehicle
- Understanding Your Rate and Total Cost
- Business Financing
- Things to consider when deciding on a business loan
- More
- Cybersecurity - Tips to Remember

We're in the business of empowering our members to make good financial decisions to improve your quality of life.

For more information about the services that we offer, please visit our website at www.nefcu.com or call us at 800.400.8790.

ACC Wrap Up

THE OFFICIAL MONTHLY NEWSLETTER OF THE AMERICAN CONSUMER COUNCIL

Green C Certifcation

If your company or organization would like to increase its credibility with consumers, you should consider applying for ACC's ***"Green C" Certification***.

*Applications for the **Winter** cycle are now being accepted through **April 5th**.*

It's a proven fact that consumers prefer to do business with eco-friendly companies, implement green initiatives and that practice Corporate Social Responsibility. The process is straight-forward, and all applicants are recognized by the ACC and the Green USA Institute.

All applicants should review the criteria, then complete and submit their applications to ACC's Green Consumer Council for review, assessment and feedback. Program details and the Green C Certification criteria can be viewed online at bit.ly/3d45Con.

For more information, call 1-800-544-0414 or visit ACC's website here.

Friend of the Consumer

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.

Each year, ACC awards numerous "Friend of the Consumer" awards to deserving manufacturers, retailers, and other businesses that produce or sell products in the United States, and which meet or exceed federally mandated standards, and have "demonstrated a commitment to American consumers by providing products or services that foster consumer confidence and market acceptance."

To apply, complete the online application at: **www.americanconsumercouncil.org/awards.asp** and return it to ACC with the application fee.

Applicants will be notified within five 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 your submission.

Financial Education

ACC is honored to have a partnership with Nicole Middendorf. Nicole is a money maven, a knowledge junkie, and a born coach. She is an entrepreneur who left Morgan Stanley in 2003 to run her own wealth management firm. Nicole is the author of five books, a world traveler, philanthropist, and an accomplished public speaker.

As a Wealth Advisor and Certified Divorce Financial Analyst with Prosperwell Financial, her main focus is to help people create wealth from the inside out. She is able to accomplish this through one-on-one client meetings, writing books, presenting at conferences, and appearing on TV, radio, and other media.

Nicole shares financial advice and a real-life perspective on saving, planning, and investing with audiences across the country. Her primary goal is to take complicated subjects and make them easy to understand. She works hard to empower her audience to make crucial and positive changes in their own lives. Nicole's books have received local and national press coverage, where she has become known for her thoughtful concise quotes, relaxed on-air presence, and articulate delivery.

ACC is committed to promoting and providing financial education to the public. Nicole Middendorf has collaborated with us to create a new 6-part video series that promotes financial literacy for youth. Check it out here: https://qcashfinancial.com/are-we-failing-our-kids-in-financial-literacy/

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