



Consumer News & Views

THE OFFICIAL MONTHLY NEWSLETTER OF THE AMERICAN CONSUMER COUNCIL



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Consumer confidence on the rise again

The Conference Board's **Consumer Confidence Index®** increased in December, following a decrease in confidence in November 2021.

The Consumer Confidence Index now stands at **109.5** (1985=100), down from 111.6 in October, which was a short uptick after a downward trend that first started in July.

The Present Situation Index—based on consumers' assessment of current business and labor market conditions—was relatively flat at 144.1, down from 144.4 last month.

The **Expectations Index**—based on consumers' short-term outlook for income, business, and labor market conditions—rose to 96.9 from 90.2.

—See **CONFIDENCE, P4**

Omicron Significantly Impacts Travel, Consumer Spending, Social Gatherings

by The Missing Ink LLC
12/29/2021

Just when we thought we were in the clear—Omicron is here. The new coronavirus variant has been sweeping throughout the world. To put it in perspective, 1 in every 60 New Yorkers have tested positive with the Omicron variant.

The numbers continue to climb as the variant rages in every corner of the world. The impacts reach all aspects of the public and have hindered many wishes of a normal holiday season.

Here is the relevant information about Omicron and its impacts on travel, consumer spending and social gatherings:

Flights Cancelled by the Thousands

Thousands of flights have been canceled due to COVID-19. The new mutation has added insult to injury. Newsweek shared that Omicron is 500% more contagious than its predecessor Delta. This is cause for serious alarm. Over 7,000 flights were canceled during the holiday season, crushing the dreams of thousands of travelers and millions of family members. Reports state that you are more likely now to catch COVID-19 on a plane than ever before.



Dr. Anthony Fauci has suggested implementing a domestic travel vaccine requirement which the public has conflicting views. Vaccines continue to be recommended to slow the spread of infectious disease; especially within confined quarters and indoor gathering areas.

Consumer Spending Woes

Marketplace revealed that consumer spending increased by 0.6% in November 2020—a whopping \$104.7 billion. However, with Omicron taking over, consumer reports suggest spending has begun to slow. October had been a busier month than the typical

November spending due to the supply chain congestion. Other news outlets and reports suggest that U.S. consumer confidence is indeed increasing, despite Omicron and record-high inflation. Amazon has seen similar numbers to last year's holiday season as many people turn to online shopping versus in-store.

Robert Frick, an economist with Navy Federal Credit Union, stated, "Despite high inflation and the rising Omicron wave, consumers are bullish on 2022... This reflects growing economic momentum, as job openings remain high and prices are dropping at the pump. This is further evidence that consumer spending will keep rising and be the main factor fueling the expansion."

Social Gatherings Fall Back

Since Omicron came onto the scene, movie theaters, restaurants, bars and other social gathering places have felt its wicked hit. People are choosing to stay in once more to avoid contracting the deadly virus.

Limits on social gatherings are popping up on university campuses in addition to experts urging using proper precautions when congregating with friends and family.

—See **OMICRON, P3**

Omicron, cont'

Schools and businesses have resorted to reinstating remote options until further research is conducted. Cities across the country have also reinforced indoor mask policies and proof of vaccination—and many places are now mandating proof of a booster shot.

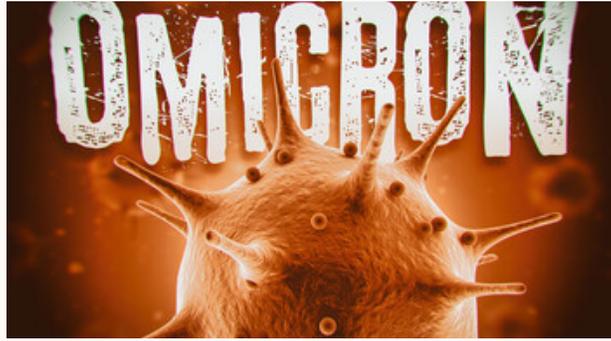
A Grim Look into Next Year

Hospitals around the country are reaching their maximum capacities. Doctors and medical staff continue to urge the public to get vaccinated as quickly as possible to diminish the need to go to the hospital. A further recommendation is to receive the 3rd dose—or the booster shot. The Moderna vaccine is the most beneficial of the vaccinations.

Millions of people were unable to celebrate the holiday season with their loved ones, yet the peak of the wave has still not yet arrived. Experts predict we will reach the maximum peak of this wave in mid-January as the variant continues to be 'immune-evasive'.

A 'mild wave' is predicted to peak in January yet researchers suggested if there is an 'extreme scenario', this will likely unfold and peak February 3rd, thus surpassing the peak back in January of 2021.

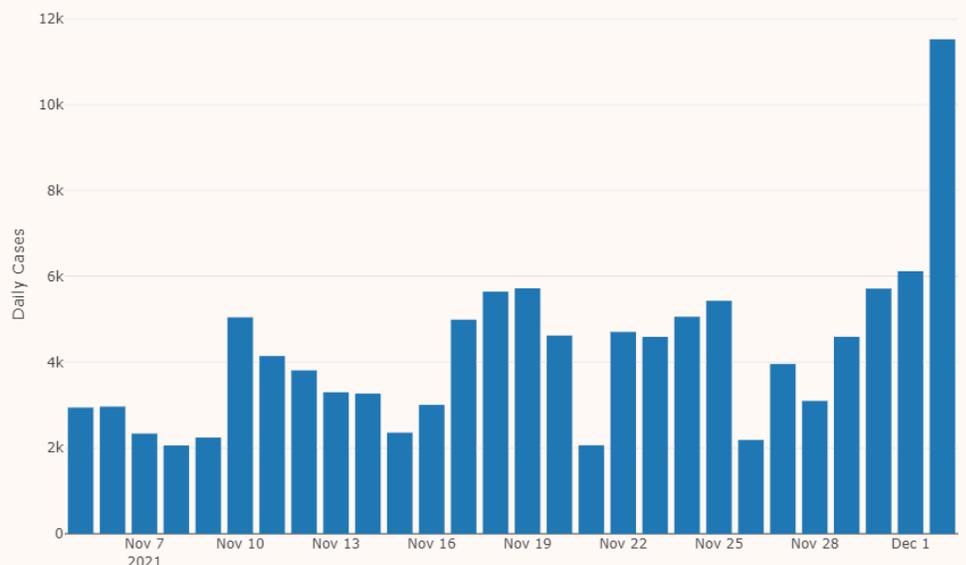
Researchers reported to Newsweek that, "Under a pessimistic scenario in which Omicron is as transmissible as Delta and more evasive of infection-acquired and vaccine-acquired immunity



than Delta (with 85 percent, 32 percent, and 22 percent reduced protection against infection, hospitalization, and death, respectively)."

Omicron variant detected around world

The World Health Organization classified Omicron as a "variant of concern," due to the number of mutations that might help it spread or evade antibodies from prior infection or vaccination. The variant was first identified in South Africa and has now been detected on every continent outside of Antarctica.



U.S. Economy Showing Signs of Improvement Heading into COVID-19 Winter Wave



The holiday season brought forth new spending and more jobs for the public. Unemployment has reached a historic low. With the holidays and Americans anxious to return to normal life, spending habits and consumer confidence are steadily increasing.

Analysts are investigating the economy showing signs of improvement despite serious headwinds ahead. The supply chain fiasco, devastating storms and the pandemic itself are not enough to slow it down. Economists believe it will continue to expand into 2022.

Here are the latest details to emerge:

Employment on the Rise

After a harrowing two years—combined with The Great Resignation (see p.6)—employment is once again on the rise. Consumers appear to be optimistic about improving employment and respective conditions of the workplace.

Many businesses have employed new, innovative ways to separate staff and keep employees safe and healthy. This includes:

- Sanitizing stations
- Daily cleaning crews
- Mask enforcement
- Vaccine mandate
- Separation of stations
- And more

U.S. unemployment levels are at an all-time low—near pre-pandemic levels. Layoffs have slowed down and job hiring is at an all-time high; the perfect recipe for a growing economy.

Shopping and Retail

Despite Omicron and inflation, the Commerce Department reported that consumers returned to shopping ahead of the holiday season despite the widespread shortages. President Biden stated retail inventories were up 3% in the month of December with over 90% on-shelf availability of products—as opposed to last year when the shelves were nearly empty.

The supply chain issues are currently being remanded as bottlenecks are diminishing in the canals. Shelves are no longer empty due to consistent work and communication to get the economy and business flowing again as usual.

The economy shows no signs of slowing down as we enter 2022. Consumers have revealed they are optimistic and believe the future looks bright once more.



Inflation: Is it here to stay?



Over the last several months of 2021, inflation reached record-breaking highs. Consumers voice their disdain regarding the escalating gas prices and their pockets being gouged at the local supermarkets.

Inflation enmeshed with loss of income and jobs as well as business closures made for a financially and mentally painful year for many. Researchers have conducted many reports to answer the question: Is inflation here to stay?

This new year, inflationary pressure may be a bit better for consumer pockets. Here is why:

Inflation Due to Diminish

Although the pandemic and supply chain disruptions continue to wreak havoc on the economy, the inflationary pressure is predicted to ease—at least a small amount. Over the next coming months, inflation should diminish enough to get back on the right track.

The economy is well on its way to revival as unemployment has now reached a record low and people are spending more than last April-June—when the second COVID-19 wave hit the country. The presence of the new variant Omicron has disrupted the full revival; however, researchers anticipate it to be for the short-term.

Long Run Absolute Inflation to Stay Higher than Normal

Analysts foresee absolute inflation staying high for the long run but do not see it spiking again the way it did in November 2021. Experts project retail inflation should ease within the first half of 2022 while the Wholesale Price Index (WPI) continues to increase. WPI includes:

- Basic metals
- Natural gas
- Crude petroleum
- Mineral oils
- And more

COOIT's Nagpal shared with Business Standard:

"We expect the domestic availability of edible oil will increase in the coming months. The global market also shows a declining trend. These positive developments should help in bringing the prices of essential cooking oils to a reasonable level in the new year."

The Great Resignation—A new generation of business owners and gig workers is born



Covid-19 came onto the scene wiped out much in its path. We were all forced to shift and learn flexibility that has never been known before. For the first time in history, many have questioned the 'rules' of society and its functioning—specifically the workforce.

The pandemic hit. The rules changed. This year makes history as millions of Americans have left their jobs behind. So now what happens? Here is all the information you need about The Great Resignation:

Record Numbers Quitting

The pandemic unearthed many concepts that have never been discussed before. Healthcare, consumer spending, soaring costs of gasoline, retail and food products and more. The pandemic has revealed the following:

- There are better-paying jobs out there
- Remote work is possible
- Company culture can be toxic
- Flexibility is a must
- Low-wage work for long-hour shifts is no longer acceptable

American workers are on the hunt for better jobs with better benefits and pay. Many people realized they were getting paid more on unemployment than their full 40 hour plus shifts a week. This was where the true realization began.

People with children were forced to choose between their careers and their jobs when the lockdown was set in place. This concurrently paved the path for many Americans to look for work-from-home positions or to start their own business from home.

Rethinking Career Paths

What was once a dream to many has become a dream come true. Millions of Americans are rethinking their careers for the long run. MSN revealed that a group of people believe it is a 'spiritual awakening' to reconsider their careers as they were not afforded the luxury to do so before. The entire dynamic of the work world in America has been turned on its head with millions reevaluating what they expect in terms of pay, benefits, flexibility and more.

Thousands of business owners and CEOs have opted for indefinite work-from-home options to keep their employees safe and to continue conducting business as usual.

The New Generation of Business Owner

Another group of Americans chose to take the entrepreneurial path. According to the Census Bureau, over 4.4 million new businesses were created in 2020 alone—crushing every record in the history of the country—a whopping 24.3% increase from 2019 and a 51% increase from 2010-19.

In January 2021 alone, the Census Bureau reported over half a million new businesses were created. Surveys were conducted to discover what being an entrepreneur through the pandemic was like. These were the results:

- Optimism
- Freedom
- Being own boss
- Self-reliance
- Digital-first mindset
- Creative outlet

Continued

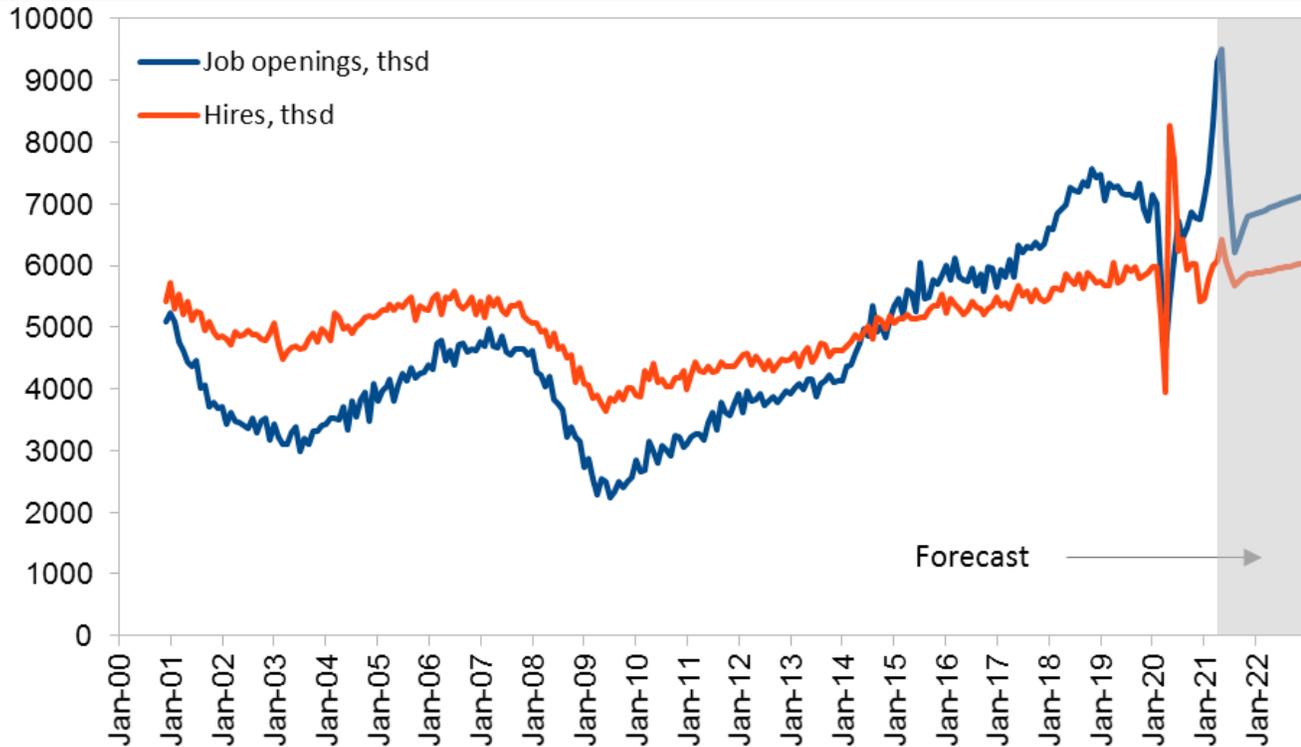
The pandemic accelerated the plans of every person who yearned for starting their own business. With financial and job stability hanging by a thread, millions of Americans took the leap—and contributed to the economy and their well-being.

Studies suggest the majority of side-gigs, hustles and freelance businesses can begin with just under \$10,000 as an investment. The digital reach has surveys showing three out of four new business owners already have customers.

The way of the 9 to 5 corporate world is being quickly left in the dust.



Decline in Job Retention



U.S. Investigates Further into Hyundai-Kia Engine Failures



Over the better part of a decade, U.S. auto safety regulators have been increasing the depth of their investigations into engine fires and Hyundai and Kia vehicles. Over 3 million vehicles are being investigated as multiple agencies have gotten word of over 161 engine fires in the two brands.

The years in the spotlight are any Hyundai and Kia vehicles between the years 2011 and 2016. Some engine fires occurred in recalled vehicles as well.

The following information details the engineering analysts as they further investigate these occurrences:

First Recalls

In September 2015, a recall was issued due to engine failure—followed by a minimum eight more recalls in conjunction with engine issues. The recalled vehicles include Hyundai's:

- Santa Fe
 - Sonata
 - Elantra
- And Kia's:
- Optima
 - Sorento
 - Soul
 - Rio

The models that fell into the recall are between the years 2011 and 2016.

Hyundai and Kia Lawsuits

Millions of customers are affected by the recall of their vehicles. Some even became injured by the engine failure and fires.

Car Complaints shared that the class action lawsuit states the Theta II engine was improperly manufactured and distributed. Engineers state that the connecting rods of dislodged and the bearings are worn. These contribute to puncturing the engine block and stopping oil flow into the vital engine areas—thus, engine failure and fires.

The engines have undoubtedly overheated and caught fire and cars have been totaled by the millions. There have been over 3,000 fire-related incidents without adding in the component of a car accident. Drivers have complained to have spent thousands to repair the engines with no repair or end in sight.

Plaintiffs argue that both Hyundai and Kia failed to properly recall millions of vehicles that were at risk for engine failure and fire. Owners are suing to be compensated for all costs, repairs and inconveniences they endured.

Recourse

Kia was ordered to pay \$27 million to the owners of one of the 20 different models that were affected by the engine failure. They were further instructed to invest over \$16 million in improving their safety performance measures.

They additionally were ordered to meet the updated safety standards are suffer the consequences of another \$27 million penalty. Both Kia and Hyundai revealed they conducted a “product improvement campaign”. This campaign allegedly involved 3.7 million vehicles.

The vehicles were instilled with new software to provide an early detection of possible engine issues.





More News, cont'

GIVE BACK TO ACC

American Airlines Consumer Flight Benefits

Now you can help ACC accrue travel miles for the organization, which they can eventually use when staff must travel to area affiliates or voting members need to attend annual meetings. All you need to do is include ACC's "Business ExtrAA" number: **878585** whenever you travel with American Airlines and or any of their One World airline, hotel and rental car partners.

While this program allows you to contribute air miles to ACC, please note that you will not lose any of your own frequent flyer miles.

It's a WIN WIN!

Here are a few ways you can accomplish making sure our Business ExtrAA number gets on your travel

documents:

Phone: Call American Airlines at 1-800-433-1790 and ask the agent to add the ACC Business ExtrAA account number (878585) to each eligible ticket.

Online: While logged into your American Airlines account on www.aa.com, input ACC's Business ExtrAA account number (878585) in the spot on the *Passenger Details* page during your booking process.

Ticket Counter: Just provide ACC's Business ExtrAA account number (878676) to the AA agent at the ticket counter when purchasing your ticket, or even when you are checking in.

Thank you for supporting ACC with these consumer flight discount benefits.

Amazon SMILE Program



As an eligible nonprofit, ACC recently registered with Amazon's SMILE program, which donates 0.5% of the price of eligible purchases to the charities selected by Amazon customers. There are no fees or extra costs involved.

When customers like you go to Amazon on any given day to shop, you can select from over a million registered charities, but we hope you will pick ours as your charity of choice.

As a result, we want to make it even easier for you, by providing the the link you need to donate to us.

<https://smile.amazon.com/ch/33-0718596>.

Since starting the program in 2013, Amazon's Foundation has seen donations of \$266 million through the SMILE program. These donations from Amazon are at **no cost to you**, so please consider ACC the next time you go shopping online.

The first time you set it up, it will pop up as a reminder every time you enter. To learn more about the program, visit smile.amazon.com.

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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The First Florida Credit Union Difference

For over 71 years, First Florida Credit Union has been making a difference to its loyal members. They were announced as the 2021 Readers' Choice Top Credit Union in Tallahassee—a proud #1 ranking in Florida.

Since the day they opened their doors, First Florida Credit Union has created long-lasting relationships with their clients by providing educational material, creating financial solutions and empowering their clients to make smart financial moves that set them up for success. First Florida is different from the rest because they treat their clients like family.

They offer competitive rates, innovative financial opportunities and the best products on the market. With over 55,000 members and continue to grow, they offer the following promises to you:

- Protect your personal privacy
- Provide simple, efficient solutions
- Interpersonal communication skills
- Offer trusted financial solutions for success
- Pay close attention to detail
- Excellent listeners and problem solvers

Offering the essential financial resources is what sets First Florida apart from its competitors. Their members have 24/7 access to free financial webinars, calculators, educational tutorials and articles and more. Their website offers in-depth information that helps curate your path to financial solutions.

First Florida has recently opened a new sector of their business—now offering solutions to businesses and their respective owners for the same rate as their members. The multitude of options for business financial accounts assists them with:

- Fund business expansion
- Helps owners cover expenses
- Provides simplified checking solutions for day-to-day operations

First Florida prides itself in being connected to communities, students and local businesses through its offering of a free Business Speaker Series. They have partnered with Florida State College of Jacksonville for the 5th consecutive year and aim to make a difference in the community. They also support multiple charitable organizations and donate everything from food supplies to food, health and disease research donations and much more.

First Florida offers both remote options as well as their new face-to-face offerings called Appointment Concierge. You have the option to go in person or discuss your financial matters with a professional from the comfort of your own home. Not only do members support the business, but their employees also do too.

—See **CREDIT UNION P10**

Credit Union, cont'

This prestigious business has been voted as Florida's Best Places to Work For by Florida Trend Magazine, a high honor. The award comes from the endless positive feedback from their employees.

Leveraging your financial resources to make smart financial decisions is what makes First Florida tick. Smart financial moves begin with developing a smart financial strategy.

To get started and learn more about First Florida Credit Union, visit:

www.firstflorida.org or call 1-800-766-4328 ext. 1.

A representative will be happy to assist you.

Member Advisory Council:

This is an ad hoc committee comprised of small groups of members that meet at the different branch locations twice a year. Topics discussed may vary and are driven by the desire for direct feedback from members to help guide SDFCU decisions and priorities.

Meetings normally last an hour and usually take place at noon or later in the afternoon. Contact your local branch manager for details and to sign up for that branch's council.



Driven by Cause

With the ongoing effects of COVID-19 rapidly contributing to a growing number of Americans going hungry, SDFCU is sponsoring a campaign to address the issue of hunger in the country and they invite you to join them in making a difference.

Working with America's Charities Foundation, SDFCU has identified six fully-vetted hunger-based organizations in need of their members' support. These are organizations that are making a difference every day by feeding those in need in the United States. SDFCU calls this program the "Hunger-based Member Donation Program."

Committed to supporting these charitable efforts as part of their "people helping people" philosophy, SDFCU will match dollar-for-dollar up to \$100 for each member donation.

Donations not only help those in need immediately but also provide ongoing support for the long-term programs of these important charities.

The six charities are:

Feeding America is a nationwide network of 200-member food banks that leads the fight against hunger in the U.S. In 2019, they provided food to more than 40+ million people, including 10 million children and 7 million seniors.

Feed the Children has distributed approximately 87.8 million pounds of food and essential household items valued at more than \$361 million in the fiscal year 2020.

Lorton Community Action Center (LCAC) is a 501(c)(3) nonprofit organization that seeks to provide low-income individuals, families and seniors residing in Fort Belvoir, Lorton, Newington and other portions of southeast Fairfax County with access to basic needs and the opportunity to empower themselves through LCAC's educational programs. LCAC strives to connect people with other programs in the area that will have a positive impact on a family's long-term health.

Food for Others, Inc. operates four core services. (1) emergency food is provided to individuals and families referred by social services organizations in Merrifield, Virginia; (2) Neighborhood distributions weeknights at 16 sites in low-income neighborhoods across Fairfax County, Falls Church, and Arlington County; (3) distribution to approximately 22 local Northern Virginia Community Partners.

Meals on Wheels America has been guided by a single goal since the first known U.S. delivery by a small group of Philadelphia citizens in 1954, supporting senior neighbors to extend their independence and health as they age.

Share Our Strength (No Kid Hungry) doesn't buy or distribute food; instead, they work with key educators, community organizations and lawmakers to launch and improve existing programs that feed hungry kids.

Learn more about each of these charities here [America's Charities](#)

We are proud to share ACC's consumer council affiliates in the State of Virginia:

Virginia Consumer Council
12020 Sunrise Valley Drive,
Suite 100
Reston, VA 20191

Hampton Roads Consumer Council
4410 E. Claiborne Square,
Suite 334
Hampton, VA 23666

Northern Virginia Consumer Council
12020 Sunrise Valley Drive,
Suite 100
Reston, VA 20191

Richmond Consumer Council
4870 Sadler Rd Suite 300
Glen Allen, VA 23060

Southwest Virginia Consumer Council
1327 Grandin Road SW
Roanoke, VA 24015

ACC Wrap Up

THE OFFICIAL MONTHLY NEWSLETTER OF THE AMERICAN CONSUMER COUNCIL



Green C Certification

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 **Dec. 31**.

It's a proven fact that consumers prefer to do business with companies that are eco-friendly, 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 found here bit.ly/3w6jE1N 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 Kim Curtis — author, speaker, and CEO of The Wealth Legacy Institute in Denver, Colorado — who writes, produces and hosts our [financial education video series](#).

This free video series is comprised of 26 videos designed to help consumers, including Millennials and Gen Y individuals, to better manage their finances, feel more confident about their financial dealings, and get access to financial services.

Past video topics include, "How to Have a Great Vacation on the Cheap," "How to Ask Your Boss for a Raise," "Essential Checklist When Getting Married," "Goals to Reach by Age 30," and others with advice about timeshares, paying off debt, identify theft, and more. *Check out the new videos for 2021!*

To peruse and view Kim's many resourceful videos, visit bit.ly/3snW661.



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