



AMERICAN CONSUMER COUNCIL

A Non-Profit Consumer Information Organization

Consumer News & Views



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Consumer Confidence Rebounds Slightly in May Amid Business Re-Openings.

After suffering one of the steepest drops in recent history in April, the Consumer Confidence Index rebounded slightly in May despite rising unemployment claims and the growing number of deaths from the Covid-19 pandemic.



The Conference Board reported that their *Consumer Confidence Index*[®] held steady in May, following a sharp decline in April. The Index now stands at 86.6 (1985=100), up from 85.7 in April. The Present Situation Index – based on consumers’ assessment of current business and labor market conditions – declined from 73.0 to 71.1. However, the Expectations Index – based on consumers’ short-term outlook for income, business and labor market conditions – improved from 94.3 in April to 96.9 this month.

“Following two months of rapid decline, the free-fall in Consumer Confidence stopped in May,” reported Lynn Franco, Senior Director of Economic Indicators at The Conference Board. She added, “The severe and widespread impact of COVID-19 has been mostly reflected in the Present Situation Index, which has plummeted nearly 100 points since the onset of the pandemic. Short-term expectations moderately increased as the gradual re-opening of the economy helped improve consumers’ spirits.

“However, consumers remain concerned about their financial prospects. In addition, inflation expectations continue to climb, which could lead to a sense of diminished purchasing power and curtail spending. While the decline in confidence appears to have stopped for the moment, the uneven path to recovery and potential second wave are likely to keep a cloud of uncertainty hanging over consumers’ heads.”

Consumers’ assessment of current conditions declined further in May. The percentage of consumers claiming business conditions are “good” decreased from 19.9 percent to 16.3 percent, while those claiming business conditions are “bad” increased from 45.3 percent to 52.1 percent. Consumers’ appraisal of the job market was mixed. The percentage of consumers saying jobs are “plentiful” decreased from 18.8 percent to 17.4 percent, however those claiming jobs are “hard to get” decreased from 34.5 percent to 27.8 percent.

Consumers, however, were moderately more optimistic about the short-term outlook. Those expecting business conditions will improve over the next six months increased from 39.8 percent to 43.3 percent, while those expecting business conditions will worsen decreased, from 25.1 percent to 21.4 percent.



Consumers' outlook for the labor market was mixed. The proportion expecting more jobs in the months ahead declined from 41.2 percent to 39.3 percent, however those anticipating fewer jobs in the months ahead also decreased, from 21.2 percent to 20.2 percent. Regarding their short-term income prospects, the percentage of consumers expecting an increase declined from 17.2 percent to 14.0 percent, however the proportion expecting a decrease declined from 18.4 percent to 15.0 percent.

Economists and the Federal Reserve believe consumer spending will be the key to the outlook going forward. Spending will be a big drag on growth in the second quarter as consumers stayed at home due to the coronavirus pandemic. But with states reopening and consumers helped by government rebate checks and unemployment insurance, there is a chance for a pickup in shopping in coming months.

A separate survey from the University of Michigan showed consumer sentiment also improved slightly in early May. Ian Shepherdson, chief economist at Pantheon Macroeconomics, said "The big picture here is that the net drop in confidence in recent months has been only about three-fifth the size of the collapse before/during/after the crash of 2008, even though the hit to the labor market has been much bigger. We're guessing that this is partly because people believe the pandemic will pass relatively quickly, and partly because stimulus checks and greatly enhanced unemployment benefits have shielded many people - for now - from the financial consequences of the disaster."



ACC Annual Meeting Will Go Virtual on Friday, June 12, 2020. The American Consumer Council will go virtual for its annual membership and business meeting on Friday, June 12, 2020 at 10:00 am PDT. The meeting is open to all members of ACC. The business agenda for the meeting will be published on our website prior to the annual meeting. Because of the Covid-19 pandemic and the closure of our host hotel, this annual meeting will use a

conference call format. No live participation will be available. Questions may be submitted to the Board of Directors in advance via email to: info@americanconsumercouncil.org For more information, please contact ACC's meetings department at 1-800-544-0414.



ACC's 2020 Annual Meeting Goes Virtual on Friday, June 12, 2020 at 10:00 am PDT.

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Financial Education Series:

ACC Video Focuses on “How to Ask Your Boss for A Raise!”

The American Consumer Council has released a new video as part of its financial education series. The latest video, which targets Millennials and Gen Z'ers, is entitled, "*How to Ask Your Boss for a Raise!*" Members can view it at: <https://www.youtube.com/watch?v=kjkREP03-GU>



ACC also released three other videos as part of its series to help Millennials feel more confident about their financial dealings.

Those videos are: "***How to Have a Great Vacation... on the Cheap!***" Members can view it at: <https://www.youtube.com/watch?v=eJo0UjLINKk&feature=youtu.be> The second video is entitled, "**Money Topics Every Couple Must Discuss.**" It can be viewed at: <https://www.youtube.com/watch?v=qsGb3Gr1aMY&feature=youtu.be> The third video is "**What Consumers Should Know About Time Shares Before Signing on the Dotted Line.**" It can be viewed at: <https://www.youtube.com/watch?v=F2OX0hnFq8k>

ACC's financial education video series is designed to help consumers, especially Millennials, better manage their finances and get access to financial services. The free series is available online at

<http://www.americanconsumercouncil.org/videos.asp> and features certified financial planner and author, Kimberly Curtis, who is a popular author, speaker and the CEO of *The Wealth Legacy Institute* in Denver, Colorado.

The video series has been well received by Millennials (18-30 year old) and has encouraged over 8,900 Millennials to join credit unions since September 1, 2016.



The other video topics include: **[Paying for the Cost of College](#)**; **[Paying Off Debt While Building Wealth](#)**; **[Home-Buying Mistakes to Avoid](#)**; **[Goals to Reach by Age 30](#)**; **[Money Mistakes Everyone Makes](#)**; and, "How to Prevent Identity Theft."

Click on any of the links to watch these videos.

The American Consumer Council's president Thomas Hinton, stated "Millennials (ages 18-30) want timely information delivered through short videos to help them better manage their money and debts. This series answers many of their questions and encourages Millennials to seek out the services of credit unions that are skilled at providing a broad range of financial services at very competitive rates."

According to ACC's research, there are over 75 million Millennials in the United States and nearly 42% have not established any financial services relationship with an insured financial institution.

The American Consumer Council is currently promoting a series of financial education videos for Millennials that will be continue into 2020. ACC expects a strong response to the video series given the number of inquiries ACC has received from its 277,000+ members.

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ACC's Friend of the Consumer Award Recognizes Outstanding Businesses.

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. Now is the time to apply!

Throughout the year, ACC presents its "Friend of the Consumer" Awards. This prestigious award recognizes manufacturers, retailers, and other businesses that produce or sell products in the United States that meet or exceed federally mandated standards and are touted by consumers as "consumer friendly."



Each year, ACC awards numerous "Friend of the Consumer" Awards to deserving companies and organizations because they have "demonstrated a commitment to American consumers by providing a specific product or service that fosters consumer confidence and market acceptance."

To apply for the "Friend of the Consumer" Award, complete the online application and return it to ACC with the application fee. Applicants will be notified within 5 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 receipt of your award application.

For more information, visit: <http://www.americanconsumercouncil.org/awards.html>



Green CSM Certification Accepting Applications for Summer 2020 Cycle:

If your company or organization would like to increase its credibility with consumers, you should consider applying for the **Green CSM Certification**. Applications for the Spring 2020 application cycle are now being accepted through Friday, September 4, 2020.

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

All applicants complete the criteria and submit their responses to ACC's Green Consumer Council for review, assessment and feedback. Program details and the **Green CSM Certification** criteria can be viewed at ACC's website located at: www.americanconsumercouncil.org/green



For more information, please call ACC at 1-800-544-0414 or visit ACC's website by [clicking here](#). To become a member of the American Consumer Council, visit us at: www.americanconsumercouncil.org

