



Consumer News & Views

THE OFFICIAL MONTHLY NEWSLETTER OF THE AMERICAN CONSUMER COUNCIL



In This Issue

OUT OF STOCK SHOPPING P2
.....

I.D. THEFT PROTECTION P3
.....

MONKEY POX SPREADS P5
.....

SPRING BUYING FORECAST P7
.....

EMPOWERING WOMEN P9
.....

7 REASONS VET VA LOANS P10
.....

FIRST COMMONWEALTH P12
.....

ACC WRAP-UP P13
.....

Consumer confidence increased in May



The Conference Board Consumer Confidence Index® improved in May, following a decrease in April.

In May 2022, the consumer confidence index increased from 100.0 to 102.7

- Economic climate grew from 97.3 to 103.6
- Consumer spending increases 0.9% in April
- Inflation adjusted consumer spending rises 0.7%
- Core PCE price index gains 0.3%; up 4.9% year-on-year
- Goods trade deficit narrows 15.9% to \$105.9 bln in April
- Future climate rose from 98.9 to 99.8
- Personal climate increased from 100.9 to 102.4
- Current climate progressed from 100.8 to 104.6

The Expectations Index—Based on consumers’ short-term outlook for income, business, and labor market conditions – ticked up to 77.2 from 76.7.

—See **CONSUMER CONFIDENCE, P. 9**

Nearly Half of Shoppers Find Popular Electronic Items Out of Stock During Pandemic



by The Missing Ink LLC
6/01/2022

It is no secret that online shopping severely increased during the pandemic. People were forced to stay home and in turn, began shopping from home.

Consumer affairs researchers saw a strong uptick in online purchases as brick-and-mortar options were limited. However, due to the popularity of online shopping, many consumer electronic favorites are now out of stock.

Lucidworks, the main provider of AI-powered search applications, ran a survey of U.S. and U.K. consumers who conduct their electronic shopping online. More than half of the surveyed reported that their favorite consumer electronic products were out-of-stock. Many also shared they are not interested in purchasing a substitute and would rather wait for the product to be restocked—if ever.

20% of surveyed shoppers revealed they will search for an adequate substitute if the preferred retailer does not know when the product will be back in stock.

Online shoppers opt for 'product recommendations' as they feel safe in purchasing something similar to the original electronic product they were searching for. Online retailers know the game. They are experts in keeping shoppers engaged and showcasing relevant and similar products so they do not lose the interest of the consumer. Additionally, they provide hope by offering inventory restock predictions so the consumers come back for more.

Nearly 90% of online electronic shoppers stated there is at least one electronic product they will never purchase a substitute in place of. Their reasons? Preferred preferences, price ranges, and accessibility and compatibility with other electronic devices.

Low-in-stock urges consumers to purchase more and faster, experts find. It has been used as a marketing ploy to increase online traffic and profits as the majority of shoppers do not prefer substitute purchases. Retailers connect their online inventory to consumer communications—such as emails and newsletters—to garner interest and maximize their earning potential. Consequently, the 'low-in-stock' paves the predictable path for consumers to readily understand when the message changes to 'out-of-stock'.

85% of shoppers revealed the low-in-stock message positively impacts their purchase decisions and makes it more likely for them to buy the product before they run out of time. Many consumers choose to be kept in the loop for low-in-stock and reminders when the items are back in stock by way of emails, text messages, and website notifications. These notifications help the online retailers learn shopper behavior and popular market trends, which significantly increases their profits over time by providing the supply that is being demanded.

More significant findings include:

- 70% of online shoppers prefer to have online purchases delivered (versus picking up in-store).
- 40% of U.K. shoppers say "I know what I want, I'll rarely buy a substitute" compared to only 25% of U.S. shoppers who say the same.
- 62% of shoppers will go elsewhere if their preferred consumer electronics retailer doesn't have what they want.
- The most common reasons that shoppers won't buy a substitute for a consumer electronics product are that it doesn't match their taste or it's outside of their price range.

As the pandemic continues and brick-and-mortar become more and more obsolete, consumer analysts predict the future of online shopping to continue to increase as we steadily move into a digital world.

How to Protect Yourself from Identity Theft



Identity theft can alter the course of your entire life. Many people believe it won't happen to them—until it does. The National Center for Victim Research reports that up to 10% of the U.S. adult population are victims of identity theft every year. Fraud victims reported losing around \$800 million through social media in 2021 alone. The most common categories for consumer complaints are:

1. Identity theft
2. Imposter scams (a subset of fraud)
3. Credit bureaus, information furnishers, and report users

As the COVID-19 pandemic continues in 2022, the FTC also continues to send out warnings of scams targeting Americans working and studying remotely.

Here are the most important facts on how to stay safe from identity theft:

Monitor Your Credit Reports

It is imperative to monitor your credit reports for any changes. You have the option to use free credit report scanners and select to receive notifications of any changes. Any time there is a new inquiry on your credit report, you will be immediately notified. If you did not permit anyone to run your credit, you can catch the scammer before they have the chance to open a new account in your name.

You can dispute with TransUnion, Experian, and Equifax should there be an unrecognizable entity on your credit report. Any activity that looks unusual, be sure to promptly notify one of the three credit bureaus.

Freeze Your Credit

Another great layer of identity theft protection is freezing your credit. Lenders will be incapable of checking your credit report to open any type of new account. This can stop scammers in their tracks. You can also opt for a fraud alert, which alerts lenders to conduct extra steps to verify your identity before extending credit or opening a new account. If you are actively shopping for a new loan, a fraud alert is a great option to keep you safe.

Conduct a Password Audit

It is vital to not share your passwords across multiple platforms. It is also crucial to not reuse old passwords for new websites. Keep track of your passwords across different platforms to stay organized and a step ahead of hackers. Create unique, strong passwords that cannot easily be detected or guessed. Password managers can assist in keeping track of your complex passwords as well.

CONTINUED ON P. 4

Continued

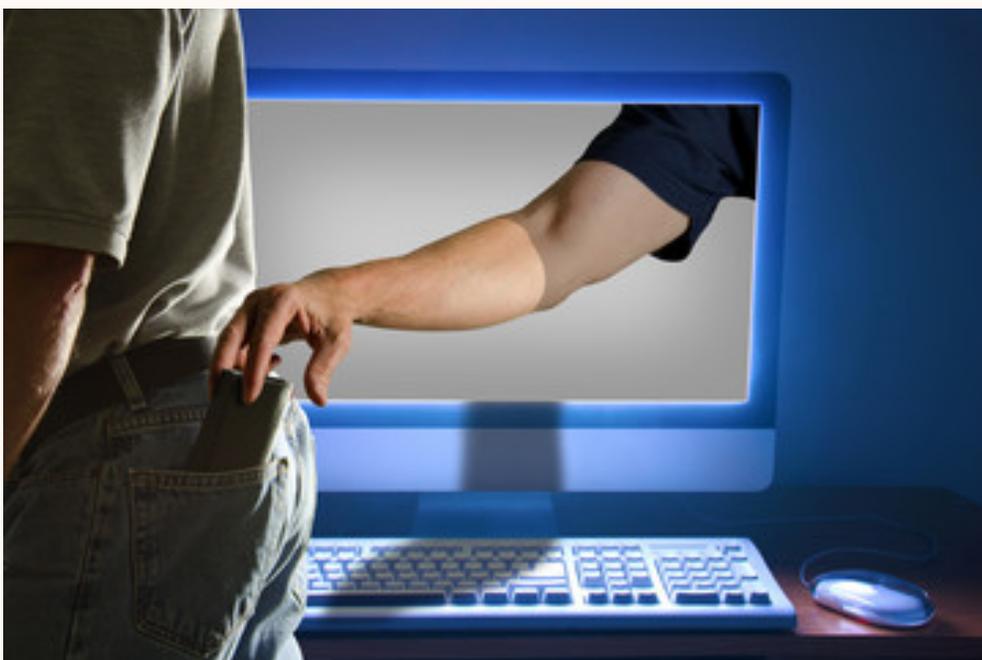
Limit the Personal Information You Give

It may be tempting to reveal your personal information—but be warned: this is what identity thieves are looking for! It may feel harmless to provide a company with your birthday, email, full name, etc. to receive special offers and awards, but identity thieves are waiting to obtain this information to open new accounts in your name. The majority of companies are protected from identity theft; however, even big companies can fall victim to data breaches.

Look Out for Phishing Attempts

You will want to be on the lookout for text messages or emails that are from unknown sources or appear strange. Odds are, they are scams waiting to steal your identity. Your best bet? Look for misspelled words, generic greetings, and a sense of urgency. These are all phishing attempts and becoming the most popular way to get you to reveal your personal information.

If you feel your identity may have been compromised, it is essential to take immediate action. As more transactions are digitally conducted, you are more and more at risk. For more information, visit TransUnion Fraud Resources at www.transunion.com/fraud-victim-resources.



Monkey Pox Now in 7 U.S. States



A total of nine cases of monkeypox in seven states have been confirmed in the U.S. as of Thursday and the public health system is ramping up to test, treat and possibly vaccinate those at high risk, health officials said.

"A monkeypox outbreak of this scale and scope across the world has not been seen before," Dr. Raj Panjabi, who leads the White House pandemic preparedness office, said in a news briefing Thursday.

The White House, together with the Centers for Disease Control and Prevention, is working to ensure that tests, vaccines and treatments are easily available to all who need them, he said.

Cases have now been discovered in:

- California
- Florida
- Massachusetts
- New York
- Utah
- Virginia
- Washington.

Scientists have recorded more than 350 confirmed or suspected monkeypox cases since May 5, mainly in Europe but also in the United States, Canada and Australia. They are trying to determine if and how the cases might be connected.

For decades, monkeypox has been seen in parts of Central and West Africa, believed to jump occasionally from animals, probably rodents, into people. Typically, several travelers a year arrive in the U.S. and Europe infected with the virus, but such a large chain of person-to-person transmission has never been seen before.

To combat the outbreak, the U.S. government is mobilizing tests, treatments and vaccines and President Biden is receiving regular updates. There is a capacity to do up to 7,000 tests a week and there are two antiviral drugs that can be given to the infected if warranted.

The antivirals are rarely needed, said Dr. Jennifer McQuiston, deputy director of CDC's division of high consequence pathogens and pathology.

"Most of the cases that have come to our attention have been mild and self-limited. In a case like that, an antiviral would not necessarily be something that was automatically recommended or administered," she said.

Vaccination is an option for health care workers at high risk for contracting the virus as they care for those infected. Overall, the government has multiple programs in place to help track and fight the outbreak, said CDC director Dr. Rochelle Walensky.

"Monkeypox is not a new or an unknown disease. CDC has been preparing for monkeypox for decades," she said. "We have the resources we need right now to respond, and we know how to respond in this outbreak."

So far, the majority of cases have been among gay and bisexual men but the risk of exposure is not limited to any one particular group. Walensky said the public must approach the outbreak without stigma and without discrimination.

"While some groups may have a greater chance of exposure right now, infectious diseases do not care about state or international borders. They are not contained within social networks," she said.

Because of the devastation caused by the AIDS epidemic, the gay community has robust health and information networks in place, she noted.

"This is a community that has the strength, and has demonstrated the ability to address challenges to their health by focusing on compassion and science," Walensky said.

Panjabi urged anyone with symptoms to contact their health care provider. He expects more cases will be found – and said such discoveries are good news.

CONTINUED

Continued

"It's a sign that Americans are remaining vigilant and health care providers and public health workers are doing their job," he said.

Early symptoms of monkeypox can include fever, muscle aches, chills and fatigue. In more severe cases, a rash can develop, often on the face and genitals.

Painful and itchy lesions can form across the body, before eventually becoming scabs and falling off. The infected begin experiencing symptoms seven to 14 days after exposure and can remain infectious for several weeks.

Some but not all of those infected so far had traveled internationally. The CDC, together with local health officials, are doing contact tracing to determine how the virus is being passed.

Monkeypox comes from infection with the monkeypox virus, a viral illness in the same family as smallpox. It has been identified in 16 countries across the globe, including the United States.

The CDC, which issued a Level 2 travel health notice Friday. On Tuesday the agency warned travelers to "practice enhanced precautions" as monkeypox spreads.

The outbreak in Europe and the United States may be linked to an outbreak in Nigeria that has been ongoing since 2017. An article published in the medical news site STAT on Thursday noted that country experienced an "unusual and long-running" outbreak that began in 2017 and included 241 confirmed cases but has gotten little attention internationally.

There is also an ongoing outbreak in the Democratic Republic of Congo which so far this year has infected 1,238 people and killed 57, according to the World Health Organization. The high death rate there is believed to be primarily due to a lack of access to health care.

The mode of transmission in the Nigerian outbreak was not been determined. It's also not known if the current outbreak is connected to it but U.S. health officials are investigating the possibility.

The bottom line

Us health officials are revealing this information to raise awareness, not fear. The story continues to develop.

For more information about vaccines, please visit www.vaccine.gov



Forecast for Spring 2022 Consumer Spending



The warmer weather is on the way! Across the country, spring has now sprung and we are well on our way toward summer.

With the season's change comes new consumer patterns. Here is the forecast for Spring 2022 consumer spending:

Travel, Lodging and Home Improvement Take Flight:

According to a recent survey conducted by travel insurance company Seven Corners, 58% of respondents are planning more summer travel in 2022 than before the pandemic. The nature of travel post-COVID will likely look much different, however, with more consumers considering taking "micro-cations" lasting 5 days or less. Ongoing inflationary pressures, including high fuel prices that are already driving up the cost of air travel, will likely contribute to this trend.

Meanwhile, with the housing prices continuing to be on the rise with quickly increasing mortgage interest rates driving many would-be buyers out of the market, home improvement spending will continue to be high as homeowners are deciding to stick with their current residences rather than purchasing a new property or relocating.

Merchants Capture Loyalty through Subscriptions:

One pandemic-era trend that is showing no signs of abating is the growth of subscriptions across numerous merchant categories, including womenswear rentals, travel, and even fast food.

Taco Bell launched its "Taco Lover's Pass" subscription service nationwide in January. For \$10 per month, the popular chain's rewards members can enjoy one taco each day for 30 days. Panera, meanwhile, is offering unlimited free coffee and other beverages for just \$10.99 per month.

The travel industry, meanwhile, has been slower to adopt subscription services since it is traditionally not conducive to a recurring revenue stream. But that may be changing. Alaska Airlines is offering a "Flight Pass," starting at \$49 per month, while luxury brand Inspirato offers a vacation rental subscription service for \$2,500 per month.

Credit Balances to Rise as Household Debt Increases:

Household debt rose above \$15 trillion for the first time in 2021, a sign of growing consumer confidence. This trend is backed up by Co-op's credit union portfolio data, which has shown a steady rise in credit balances since the beginning of the year. January 2022 saw 1% balance growth year-over-year, followed by 3% growth in February and 5% in March. "As consumers begin to revert to pre-pandemic spending behaviors, they are becoming more comfortable carrying some revolving debt," says Beth Phillips, Managing Director, Strategic Portfolio Growth at Co-op. "Our prediction is credit balances will continue to slowly build as we move through the year."

Open for Business – From the Home Office to Main Street:

After a couple of challenging years, all signs point toward a triumphant return of small business. Per PYMNTS' quarterly Main Street Business index, small and medium businesses (SMBs) are showing increased resiliency, with a 1.6% quarter over quarter improvement in health indicators across the sector as of March 2022. The index now stands 18.5% above the lowest reading taken during the pandemic. With four consecutive quarters of growth for SMBs in the books, enterprises from Main Street to the home office are poised to show strong gains in 2022. Meanwhile, unemployment has fallen to its lowest level since just before the pandemic, and nearly all 22 million jobs lost due to COVID have been recovered. Yet many workers, unsatisfied with traditional employment in the post-pandemic era, are pursuing their own entrepreneurial dreams. It's estimated 1.5 million new businesses will open in 2022. For some, this includes selling crafts and other goods on sites like Etsy and Pinterest.

CONTINUED

Continued



Health and Fitness Muscle Up:

More Americans are heading back to the gym. Whereas the past couple of years saw huge growth among at-home fitness brands like Peloton, pandemic-weary health nuts are itching to return to well-known fitness center franchises like Planet Fitness, where the social aspect can provide extra motivation. Partially due to low monthly membership fees, Planet Fitness opened 100 new locations and saw 30% rejoin rates in 2021, versus just 20% pre-COVID.

This isn't the only reason why the health and fitness category is poised for strong growth this year. Major pharmacy chains are betting on consumers' desire for convenience and one-stop shopping, by rapidly adding in-store health clinics to their menu of offerings. CVS Health already has 1,100 such locations, where customers can receive basic medical services—from a flu shot to a physician consultation—while picking up their prescription and toiletries. Competitor Walgreens is planning to roll out 1,000 clinics of its own by 2027.

Bottom Line

With all these exciting trends in the air, it's important to remember that uncertainty continues to linger. From the tragic events in Ukraine, to continuing supply chain bottlenecks and rising inflation, expect the unexpected as we look out to the second half of 2022.



Empowering Women Through Financial Knowledge



EMPOWERED
Women
 EMPOWER
 WOMEN

Sallie Krawcheck, founder of the investing platform Ellevest—“built by women for women”—offered lessons in market segmentation Tuesday at the Co-op THINK Conference in Chicago. Ellevest’s success comes from a shared belief that “nothing bad when women have money.”

The company demonstrates a proven path for fintech startups: capture a swath of the consumer population, know your market, and serve it with purpose, products, and little bit of humor.

Krawcheck served as chief financial officer at Citi and Merrill Lynch, and was a research analyst on Wall Street. As an analyst, she lived by the contrarian philosophy of seeking alternative insights when the most investors adopted an “everybody knows” mindset.

But the math guides Krawcheck’s wisdom. In focusing on women investors, Ellevest targets 51% of the market.

“If you’re talking to everybody are you talking to anybody?” she asks. “The savings retirement shortfall—some would call it a crisis—is a gender issue.”

She cites research that shows 80% of women die single and 90% of women manage their money at some point in their lives.

Also, 98% of divorcees and widows advise other women to learn how to manage their finances.

“If there’s not enough money to fund retirement, then ultimately it’s a woman’s issue,” Krawcheck says.

At the same time, she notes, women approach investing from a different cognitive perspective than men. Women tend to be more goal oriented in their investment strategy, while men are more apt to take a “beat the market” approach.

The notion that women are risk averse isn’t accurate either, Krawcheck says. She thinks a better description is risk aware. “Women just want to know the risks they face in their investments.”

Ellevest’s fee structure is dollar-based rather than a percentage rate, allowing the company to decrease customer acquisition costs and boost its bottom line.

She says credit unions have a similar opportunity because members trust them.

“You have an amazing opportunity because you have consumer trust and the fintech competition isn’t focused on you,” Krawcheck says.

Top 6 Reasons Veterans Must Use VA Loan to Finance Home



Buying a home is an inherently tumultuous process. No matter how prepared you are, the unexpected can come up--and it surely will.

If you are a veteran, you qualify for perks that can make the home-buying process much more enjoyable! Active military members, veterans, and surviving spouses may be eligible for VA loans.

Since VA loans are guaranteed by the federal government, veterans often receive a better interest rate than they would receive with a conventional loan.

You have made the ultimate sacrifice in serving your country. Now it's time for your country to serve you back.

Here are the top seven reasons military veterans should use a VA loan to finance their home:

1. No down payment required.

One huge benefit of using a VA loan to finance your home is a down payment is not required. For a conventional loan, the typical down payment is 20%. As a veteran, you do not have to put down a penny!

Typically, a Federal Housing Administration (FHA) loan requires a down payment of up to 3.5-5%, if not more. With a \$150,000 home loan, you may have a down payment of up to \$7,500 at 5% or \$30,000 at 20%. A VA loan gives qualified veteran borrowers an advantage in becoming homeowners without spending months, if not years, saving for a large down payment.

2. Monthly mortgage insurance premium payments not required.

VA loans do not require a monthly mortgage insurance premium like other loan programs do. This premium increases your overall mortgage payment and can negatively impact buyers qualifying for a loan.

Usually, homebuyers who do not put 20% down will pay private mortgage insurance (PMI) on a conventional loan or PMI plus monthly mortgage insurance premiums (MIP) on a Federal Housing Administration (FHA) loan. However, VA loans never charge any monthly insurance fee, so you save money every month. For example, PMI insurance would have been \$100 per month, that's \$1,200 per year you'd save with a VA loan.



CONTINUED

Continued

3. Buyers' closing costs are limited.

Part of the expense of buying a home is the closing costs that come with it. While closing costs usually run 2-5% of the home loan amount for most buyers, as a veteran taking out a VA loan, your closing costs are limited. Again, that means you save money!

The Department of Veterans Affairs dictates exactly what you will and will not pay and the associated amounts. VA loans require a one-time funding fee, which is waived for veterans who have a service-connected disability rating through the VA.

4. Credit score minimums are flexible.

When buying a home, your credit score plays a huge factor into whether a homebuyer can get the loan amount they need.

Using a VA loan, veterans and active service members are treated to relaxed requirements. Since the Department of the Veteran Affairs doesn't directly issue the loans themselves, they do not set or enforce any credit score minimums.

5. Veterans can use their VA loan more than once.

A huge perk of the VA loan is the ability to use it more than once. With the VA loan, you can use it to buy a home with no money down, sell the home, and buy another home with no down payment as long as you have enough remaining entitlement.

As long as you continue to qualify for the VA loan, there is no limit on the amount of times you can purchase a home with it.

6. Surviving spouses can apply for the loan.

Surviving spouses can also apply to use the VA loan. If your spouse died during military service, went missing, became a prisoner of war, or died from service-connected reasons, you may be able to qualify for the VA loan.

If you're a veteran or service member looking to use the VA loan for your next home purchase, our pros are available to assist you. Don't miss out on perks you deserve for your service!



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.

First Commonwealth Federal Credit Union
PO Box 20450
Lehigh Valley, PA 18002-0450



+++

First Commonwealth is a consumer-friendly alternative to banking. We offer all the services you're accustomed to but at better rates and lower fees. That's because we're structured differently than banks. Banks are in business to earn profits for their stockholder investors. Our credit union exists to improve your financial well being. We don't have stockholders. Instead, we're cooperatively owned by our members (account holders). We return our profits to you in the form of higher dividends on savings, lower rates on loans, and lower fees.

First Commonwealth is federally chartered by the National Credit Union Administration. We're governed by a member-elected, volunteer board of directors.

Safe, Sound, Secure

We pride ourselves on ensuring your money is safe at First Commonwealth Federal Credit Union. We have a consistent and stable financial history. Your savings are insured up to \$250,000 by the National Credit Union Share Insurance Fund. To enhance this benefit, First Commonwealth has purchased an additional \$250,000 of coverage per savings account for our members, insuring members' savings accounts for up to \$500,000.

Our Mission Statement

Empowering the pursuit of financial happiness.

Our History

In 1959, the credit union was chartered to serve the employees of Western Electric in Allentown, Pa. Back then, we were called WeAllen Federal Credit Union. Services included loans up to \$200 and basic savings accounts. The office was located in the basement of the Western Electric building on Union Boulevard and had very limited hours of operation.

In the 1980s, we greatly expanded our product and service offerings and opened membership up to the employees of other companies in the Lehigh Valley. As we grew, so did the number of our locations. During the 1980s, we built our own headquarters on Union Boulevard in Allentown. In the 1990's we changed our name to First Commonwealth to better represent our diverse membership and opened our Fogelsville and Bethlehem offices.

Since the new millennium, several smaller credit unions have been merged into First Commonwealth: Atlas Federal Credit Union, Dixie Cup Employees Federal Credit Union, NorCar Federal Credit Union, PADUA Federal Credit Union, and Catasauqua Area Federal Credit Union. With this continued expansion, offices in Easton, Lehighton, and Kutztown were added. Organic growth continued into the 2010's and 20's with new locations opening in Emmaus, Whitehall, Trexlertown, and Downtown Allentown.

Today, First Commonwealth is the largest credit union in the Lehigh Valley with 11 financial centers serving more than 70,000 members and 1,300 employer groups.

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 Summer cycle are now being accepted through August 31.

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 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.



ACC
11251 Rancho Carmel Dr.
#503016
San Diego, CA 92150-3016
800-544-0414