



AMERICAN CONSUMER COUNCIL

A Non-Profit Consumer Information Organization

Consumer News & Views



September 2020

In This Issue:

- **COVID-19 Pandemic and Job Concerns Top Consumer Issues as the November Presidential Election Heats Up.**
- **Global Economic Forecast Based on the COVID-19.**
- **Consumer Confidence Drops in July and August as Businesses Shed Jobs and Struggle to Stay Afloat.**
- **Financial Education Video Features “How to Ask Your Boss for a Raise!”**
- **ACC’s “Friend of the Consumer” Award Recognizes Outstanding Businesses.**
- **Apply for the 2020 Green CSM Certification Program.**

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prison reform and protecting voting rights among minorities; (4) protecting social security and Medicare benefits for seniors.

As the election heats up, candidates who are running for Congress and their state legislatures, are shifting their positions to address these issues in the hopes of winning more votes. But, what will ultimately decide the election, especially in the battleground states, is the economic fortunes of consumers. As of Labor Day, our surveys reveal that President Trump is cornered between a rock and a hard place because there is no viable solution to the pandemic without a vaccine, and, without a solution, businesses and schools cannot successfully reopen without running the risk of creating further widespread infection. The same holds true for professional and collegiate sports teams. It's a very disturbing scenario for any elected official. The longer the pandemic persists, the more negative voters will get, and this will hurt incumbents because without a solution, consumers' despair and anger will replace any rationale decision-making in the voting booth.



Global Economic Forecast Based on the COVID-19.

Why is the United States lagging behind other industrial nations in terms of winning the battle against the deadly COVID-19 virus? According to a recent study by McKinsey & Company, the answer is this: several foreign governments have taken bold steps to create and enforce a strategy that has controlled the spread of the virus and shut down places where crowds gather. As a result of their efforts, other industrialized nations were able to limit the number of deaths, restart their economies faster, and protect workers who would have lost their jobs had small businesses been forced to close.

In the USA, none of these practical steps or measures were taken in time. Here are the highlights of the McKinsey & Company study:



“Today, only a handful of countries seem to have placed the virus under control. Economic-policy responses have been strong in many regions; most have been swift and effective enough to largely rule out the drastic-measure scenarios. Practically speaking, only countries that have *already placed the virus under control* can plausibly realize an outcome that lifts GDP to 2019’s year-end level or better by the end of 2020. Absent a widely available COVID-19 vaccine, most other countries are likely facing a more serious outcome, which means a one-year or two-year delay in economic recovery. Global executives seem to agree; as our July [survey](#) shows, their pessimism is growing.

“The arithmetic is straightforward. Countries are starting to report estimates of second-quarter GDP. Germany and the United States have registered 10.6 percent drops since the fourth quarter of 2019, while Spain and the United Kingdom have reported almost unimaginable declines of 22.7 and 22.1 percent, respectively. From this trough, growth would need to average 5 to 12 percent for two consecutive quarters to return GDP to the level at which it started the year.

“Our new research looking for visible indicators of economic activity that would suggest such a rebound in growth finds them only in the countries that have successfully placed the virus under control. The evidence heavily suggests that a multifaceted public-health response that goes well beyond a simple transient lockdown is a necessary first-step to restore confidence and create the conditions for growth.

“It won’t be cheap: the cost of getting the virus under control is likely measured in the billions, or perhaps hundreds of billions, of dollars. But it is also clear that the opportunity cost of waiting is almost surely measured in unknown thousands of lives and trillions of dollars. The impact of delay is not linear. For every three months we delay in getting the virus under control, we push back the return of GDP to pre-crisis levels by about six months. Time is the enemy of both lives and livelihoods.”

What does it take to restart growth?

“The novel coronavirus and subsequent lockdowns have halted economic activity in unprecedented ways: the only events that similarly brought local economic activity to a sudden stop are currency crises, such as the 1994 Mexican peso crisis and the 1997 Asian currency crisis. There are no global comparable precedents since World War II. The economic impact has been dramatic, and it seems reasonable to assume that lifting lockdowns would provide a proportional stimulus. However, the facts now show that the ultimate economic impact is not driven solely by lockdowns, whose economic effects have been highly varied. Lifting lockdown restrictions may not by itself be sufficient to restart growth.



“Our analysis shows that the actual or expected drop in GDP through June of this year across Organization for Economic Co-operation and Development (OECD) countries is not as tightly correlated with the stringency of societal lockdowns, or their length, as one might think.¹ Further, the volatility of the GDP decline in those countries is three times larger than the volatility of lockdown stringency. Variations in lockdown stringency appear to explain only part of the pandemic’s different effects on economic growth.”

McKinsey & Company Report. Edited Version

<https://www.mckinsey.com/business-functions/risk/our-insights/covid-19-implications-for-business>

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Consumer Confidence Declines as Covid-19 Pandemic Hits Businesses and Employment.

The Conference Board **Consumer Confidence Index**[®] decreased in August, after declining in July. The Index now stands at 84.8 (1985=100), down from 91.7 in July. The Present Situation Index – based on consumers’ assessment of current business and labor market conditions – decreased sharply from 95.9 to 84.2. The Expectations Index – based on consumers’ short-term outlook for income, business, and labor market conditions – declined from 88.9 in July to 85.2 this month.

The monthly **Consumer Confidence Survey**[®], based on a probability-design random sample, is conducted for The Conference Board by Nielsen, a leading global provider of information and analytics around what consumers buy and watch. The cutoff date for the preliminary results was August 14.



“Consumer Confidence declined in August for the second consecutive month,” said Lynn Franco, Senior Director of Economic Indicators at The Conference Board. “The Present Situation Index decreased sharply, with consumers stating that both business and employment conditions had deteriorated over the past month. Consumers’ optimism about the short-term outlook, and their financial prospects, also declined and continues on a downward path. Consumer spending has rebounded in recent months but increasing concerns amongst consumers about the economic outlook and their financial well-being will likely cause spending to cool in the months ahead.”



ACC Expands Financial Education Services to Help Consumers During COVID-19 Pandemic. The American Consumer Council and several state and local chapters have joined forces to expand their offering of virtual webinars and meetings to help consumers access more financial services amid the COVI-19 pandemic.

From Cleveland and Los Angeles, to Tampa and Newark New Jersey, ACC chapters are offering a series of financial education services to help consumers who are struggling to pay bills and deal with economic hardships caused by the COIVD-19 pandemic.



In mid-September, a new series will begin that focuses on three key consumer concerns:

1. Getting Financial Assistance to Reopen Your Small Business.
2. How to Access State and Federal Unemployment Benefits during the COVID-19 Pandemic.
3. How to Stay Safe and Be Viewed as a Valued Employee When Working from Home.

Stay tuned for specific information on how to access these free programs from the American Consumer Council.



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=kjkREPO3-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=F2OX0hnFg8k>

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 290,000+ members.



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 Winter 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 Winter 2020 application cycle are now being accepted through December 1, 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

