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From the Executive Director

In 2011, we celebrated with great pride Consumer Action's four decades of consumer education and advocacy. For the first time, we held our anniversary event in Washington, DC, attracting new supporters and emphasizing our national scope. Since we established a team in DC in 2004, we have helped move issues of economic justice, consumer fairness and privacy rights onto the national agenda. In our 40th anniversary year, we celebrated major consumer victories, including strict curtailment of penalty fees and "any time, any reason" interest rate hikes under the CARD Act and the revolutionary reforms of the Dodd-Frank Act, which among other provisions established the nation's federal consumer watchdog bureau, the CFPB. We were thrilled to have the opportunity to introduce Consumer Action to new circles at a national level.



As many of our long-time supporters know, Consumer Action is unique in its ability to reach traditionally hard-to-reach consumers, most often defined as low- and moderate-income (LMI) individuals and minorities. Many of these folks are monolingual or have extremely limited English skills. Our success in providing multilingual consumer assistance and education makes us stand out among other national entities, whether public, corporate or non-profit.

Not only do we feature multilingual publications, trainings and media efforts, we have for a very long time encouraged government, corporations and non-profits to better serve limited-English speakers. In the early 1970s, Consumer Action was handling complaint calls in more languages than most federal agencies and corporations offer today, four decades later. We continue to urge federal agencies and corporations to provide assistance to consumers in Spanish and Asian languages.

Our "partnership" model to educate hard-to-reach consumers through the community groups that serve them is producing dividends. Our ongoing evaluations of our trainings and publications prove the model is resulting in real changes in the way community group clients manage their money, avoid fraud and build a healthy credit history. Our network of 7,500 community groups is by far the largest and most diverse in the country. We believe that our up-to-date, free and unbiased publications and extensive outreach into communities across the country offer an unparalleled ability to reach and impact consumers, many who do not speak English as their primary language, with the carefully tailored information they need to protect themselves and become savvy consumers.

I am extremely proud of Consumer Action's diverse staff, which includes experts and leaders in financial services, privacy and telecommunications. Our outreach team of ace trainers works diligently to ensure that community groups all over the country learn effective ways to use our materials to educate and inform their clients. And last but not least, our core San Francisco administrative team ensures that everything we do runs like clockwork.

I'd like to call your attention to Consumer Action INSIDER, our e-newsletter designed to keep you up to date on all our activities. If you are not on the list to receive the INSIDER, go to our home page and sign up. To read past issues, go to: www.consumer-action.org/news/insider.

I recognize that consumer advocacy doesn't have the heartstrings appeal of many charitable causes, but I urge you to look beyond the obvious, and to understand that by supporting Consumer Action, you are helping individuals save money, succeed financially, feed their families, protect their privacy, avoid fraud, build wealth and become active and involved citizens. Please give generously to Consumer Action at www.consumer-action.org/support. We appreciate your donations!

The year in review

Consumer Action's 40th anniversary (1971-2011)

More than 140 guests, including members of Congress, government officials, community partners, consumer advocates, industry representatives and Consumer Action staff, gathered at the Naval Heritage Center in Washington, DC on October 18, 2011, to mark the occasion of Consumer Action's 40th anniversary. This was the first time the organization held its annual fundraiser and awards ceremony outside San Francisco. The event raised a record \$160,000 in support of our free, multilingual consumer assistance and referral hotline and our *Consumer Action News* and *INSIDER* newsletters.

2011 Consumer Excellence Awards recipients

The awards, which recognize individuals and groups for their outstanding contributions to the education and welfare of consumers nationwide, went to:

- Representative Carolyn Maloney (D-NY), co-author of the Credit Card Accountability, Responsibility, and Disclosure (CARD) Act of 2009, proponent of the Dodd-Frank Wall Street Reform and Consumer Protection Act, and stalwart advocate for women, families and workers;
- Eileen Ambrose, financial correspondent for the Baltimore Sun, who regularly exposes financial traps, consumer fraud and seamy business practices; and
- Opportunities Industrialization Center of DC, a non-profit community organization that provides quality job skills training and has conducted dozens of financial workshops using Consumer Action materials to prepare disadvantaged adults and youth for the working world.

"The year in review" continues on page 9

40 years of milestones

1971

Opens in a San Francisco church basement under the direction of founder Kay Pachtner

Publishes *Consumer Action News* newsletter

Establishes the consumer advice and assistance hotline

1972

Pickets British Motors in San Francisco, resulting in the arrests of Consumer Action staffers, representation by the ACLU and British Motors' unsuccessful \$6 million lawsuit against the organization

1973

Publishes "Break the Banks: A Shopper's Guide to Banking Services" 

▶ Publishes “A Guide to Public Records,” demystifying city hall by showing San Franciscans how to access public information at local government offices

1974

Publishes “Deceptive Packaging,” a scathing indictment of the California consumer affairs department

Publishes “A Shopper’s Guide to Pharmacies,” covering the San Francisco Bay Area

Launches successful campaign to require item pricing at supermarkets with campaign slogan “Price the rice!”

1975

Holds “lemon-stration” in San Francisco to protest resale of defective autos

1976

Helps Federal Trade Commission draft new consumer protection regulations under a federal grant

Releases “Optical Illusion,” an investigative study of the eye care industry, and urges an end to barriers to advertising prices for eye care services

Protests Bank of America’s ads for “low interest” car loans as misleading, causing bank to withdraw ads, reimburse customers and pay a penalty to the city of San Francisco

Publishes “Consumer Action’s Auto Insurance Guide,” California’s first shopper’s guide to auto insurance, and on basis of findings, calls for industry reform

1978

Releases “How to Complain” guide

Publishes “A Guide to Small Claims Court”

1980

Ken McEldowney returns to Consumer Action as its executive director

1984

Publishes first annual credit card survey

Publishes first annual “Consumer Services Guide” (now a website: www.consumerservicesguide.org)

1988

Receives first of many court awards (Wells Fargo class action settlement)

Establishes Banking Information Project to inform low-income, senior and non-English-speaking consumers about banking services

1989

Establishes community-based organization (CBO) network for distributing educational materials

Creates the Telephone Information Project (TIP) with a grant from the California Public Utilities Commission



➤ Testifies before U.S. House Banking Committee on the need for federal Truth in Savings Act (became law 1991)

1990

First publishes 300-page “Telephone Users Guide” with grant from the California Public Utilities Commission

Publishes “Why Use a Bank Account?” in English, Spanish and Chinese

Testifies before the U.S. House Energy and Commerce Committee on “900” phone number ripoffs

Rallies national attention to pass laws regulating unsafe children’s car seats and providing better nutrition labeling

Advocates for “Caller ID” blocking to protect consumer privacy

1991

Co-sponsors bill with California Assemblymember Jackie Speier to reduce bank fees

Establishes the Lead Poisoning Prevention Project (later known as the Healthy Children Organizing Project)

Publishes Telephone Information Project (TIP) materials in seven languages

Calls public attention to telephone banking privacy threats

Publishes “Your Guide to Phone Service”

1992

Joins U.S. Dept. of Consumer Affairs and Sprint in a project to educate limited-English-speakers about phone services

Selected by California Public Utilities Commission to operate Telecommunications Education Trust (TET) repository

Prevails in a lawsuit against Bank of America for forcing binding mandatory arbitration on existing customers (Badie v. Bank of America)

1993

Launches the Credit & Finance Advocacy Project

Establishes the San Francisco Foundation’s Bank of America Consumer Education Fund (BACEF) Resource Center, a repository for BACEF-funded materials

Initiates campaign to more effectively regulate cable TV rates

Advocates nationally for increased enforcement of the Community Reinvestment Act (CRA)

1994

Opens Los Angeles Office

Establishes first national corporate consumer education partnerships (American Express, AT&T, Sprint and Visa) to produce and distribute free, multilingual educational materials in five languages ➤

▶ Publishes “Teaching Money Management,” a catalogue of financial education materials, under a grant from the San Francisco Foundation’s Bank of America Consumer Education Fund (BACEF)

Begins campaigns to prohibit credit card marketing on college campuses, regulate the rent-to-own industry and fight pre-emption of state law by national banks

1995

Protests “lemon laundering” (resale of potentially dangerous used cars) at GM dealerships

Debuts first online library of materials via HandsNet

Challenges electric deregulation

Credited with passage of San Francisco law to protect renters from lead poisoning

1996

Publishes prepaid phone card and free checking account surveys

1997

Devises formal multilingual, multicultural community education model

Launches national HMO education campaign in partnership with PacifiCare

Publishes the “EBT/EFT Update,” a publication to educate consumers on electronic benefits, in partnership with the National Consumer Law Center, the National Urban League and NationsBank

Launches website Consumer-Action.org, a multilingual online consumer resource

1999

Receives \$2 million grant from HUD to conduct a nationwide multilingual fair housing public education campaign

Publishes the “1999 California Home Electric Survey”

2000

Publishes first online banking survey

2001

Establishes MoneyWi\$e financial empowerment program in partnership with Capital One

Prevails in a lawsuit against AT&T to block its binding mandatory arbitration clause

Receives Excellence in Consumer Education Award from the National Association of Consumer Agency Administrators (NACAA)

2002

Conducts first MoneyWi\$e train-the-trainer events in California, Florida, New York and Virginia (trainings continue to present)

Launches Money-Wise.org



> 2003

Advocates against predatory “bounce protection” service on checking accounts

2004

Opens DC office

2006

Begins “e-advocacy” services, providing “Take Action” alerts to build grassroots support for our campaigns and to help consumers make their voices heard

2007

Joins Americans for Fairness in Lending (AFFIL) to raise awareness about predatory lending

Testifies on the need for credit card consumer protections before the U.S. House Subcommittee on Financial Institutions and Consumer Credit

2008

Testifies in support of the Credit Cardholders’ Bill of Rights before the U.S. House Subcommittee on Financial Institutions and Consumer Credit

Helps pass the historic Credit Card Accountability, Responsibility, and Disclosure (CARD) Act

Launches sister websites Managing-Money.org, Privacy-Information.org, Insurance-Education.org and Housing-Information.org

2009

Attends the signing of the CARD Act by President Obama at the White House

Becomes a founding member of Americans for Financial Reform (AFR)

Testifies before the House Financial Services Committee in support of the Expedited CARD Reform for Consumers Act of 2009 (H.R. 3639)

2010

Rallies grassroots support to pass health reform (coalition effort)

Helps pass Dodd-Frank Wall Street Reform and Consumer Protection Act (coalition effort)

Launches Consumer Action’s National Financial Empowerment Conference in Chicago, IL, an annual event for our community-based partners to share best practices for promoting financial empowerment

Publishes *Consumer Action INSIDER* monthly e-newsletter

2011

Launches WirelessEd website (www.wirelessed.org)

Chairs consumer group committee to advise the Consumer Financial Protection Bureau (CFPB) on complaint handling

Celebrates 40th anniversary in Washington, DC

The year in review *Continued from page 4*

2011-2012 activities

Consumer Action participates in the legislative process to promote pro-consumer policy, regulation and legislation. Over the past year, we've celebrated significant successes, taken on new battles and maintained momentum in the areas of privacy, consumer credit, banking and financial services, housing and insurance.

At the start of the fiscal year, consumer advocates were still fighting attempts by conservatives to undo the new Consumer Financial Protection Bureau (CFPB), whose establishment was called for under the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010. After the disappointing rejection of Harvard Law School professor Elizabeth Warren as the CFPB's first director by the financial industry and Congressional Republicans, we strongly supported former Ohio Attorney General Richard Cordray's nomination.

Since before the CFPB's official opening, Consumer Action led a group of more than 20 advocates who met regularly with Director Cordray and his staff to weigh in on the bureau's consumer complaint handling mandate. The coalition successfully persuaded the CFPB to make the agency's consumer complaint database available to the public, arguing in formal comments that consumers who can access complaint data are far better prepared to make smart choices.

As a member of Pew's "safe checking" working group (the Safe Checking in the Electronic Age Project), our goal was to persuade Congress and the CFPB to create regulatory and legislative safeguards for consumer checking accounts. Based on the group's input, Pew developed a model disclosure box that banks and credit unions are encouraged to use to achieve transparency in their checking account offers.

Prepaid cards, often marketed as a checking account substitute for the unbanked or underbanked, have experienced a huge surge in popularity despite a reputation for being less than consumer friendly. In response, Consumer Action redoubled its efforts to promote change in the industry and educate consumers on how to avoid the most fee-laden cards.

Throughout the year, regular meetings with the Federal Trade Commission ensured we were heard on other pressing consumer issues, ranging from online privacy to identity theft, the agency's top complaint.

Despite modest signs that the housing crisis may be abating, millions of homeowners continued to struggle. With great hope for relief, Consumer Action worked on mortgage assistance legislation, efforts to reform the mortgage servicing industry and programs designed to help homeowners in danger of foreclosure and those whose foreclosures may have been illegal. Consumer Action rallied support for continued funding of the Emergency Homeowners' Loan Program (EHLP), and worked to get vital bridge loans into the hands of unemployed and underemployed homeowners. Our email alerts to grassroots organizations in English, Spanish and Chinese ensured that those most able to reach troubled homeowners had the information they needed.

Consumer Action's DC office continued to work on critical privacy issues, including facial recognition technology, mobile advertising disclosures, COPPA (the Children's Online Privacy Protection Act) and medical records privacy.

 *Continues on page 11*

Did you know?

That in the year ending March 31, 2012, Consumer Action . . .

- Maintained a diverse staff of 25 in San Francisco, Los Angeles and Washington, DC that collectively speaks 15 languages and/or dialects
- Filled 1,967 bulk orders from 1,135 community-based organizations across the country for 724,785 copies of our free, multilingual publications
- Traveled to 18 cities and trained 781 community group representatives across eight project initiatives
- Granted \$135,000 in mini-grants to community-based organizations to support their financial literacy programs
- Assisted more than 8,500 individuals from all 50 states on a variety of issues, with the top four areas of complaint being retail, automotive, credit/banking and phone/utility
- Had more than one million (1,234,535) page views on the nine websites we have developed and maintain
- Enabled 3,136 subscribers to compose their own email messages to their elected officials on topics of their own choosing
- Participated as a member of 31 national and state coalitions that amplified the voice of consumers on issues ranging from clean and safe cars to the regulation of debt settlement companies
- Enjoyed the support of 22 educational partners ranging from private foundations and financial institutions to law firms and government agencies
- Gave more than 100 in-language interviews to Chinese and Spanish television, radio and print news outlets on Internet safety, cell phone problems, senior scams, financial literacy, housing and mortgage issues, online banking, identity theft, health care issues and more
- Generated 6,164 emails and letters to policymakers on a variety of topics, from financial reform to privacy issues, from our subscriber list of 19,286 people
- Consumer Action staff presented at or participated in more than a dozen conferences and panels, discussing topics ranging from software application (app) privacy to financial literacy programs for immigrant populations

➤ *Continued from page 9*

By working in coalition with other respected groups, advocates are able to achieve an impact greater than that which could be achieved individually. Following are just some of the coalitions Consumer Action actively participated in during FY 2011-2012:

- United for the People, which endorsed a Constitutional amendment to bring down the Citizens United ruling that gave corporations the same free speech rights that individuals enjoy and opened the floodgates of corporate money to influence elected officials and public policy
- The Fan Freedom Project, which is working to prohibit restrictive paperless ticket policies and make ticket buying for live shows a fairer experience for consumers
- The Student Loan Reform Coalition, which supported the Fairness for Struggling Students Act of 2011, designed to provide distressed private student loan borrowers access to key financial remedies and relief
- The California Reinvestment Coalition, which advocates for fair and equal access to banking and other financial services for California's low-income communities and communities of color
- The Consumer Postal Council, with which we endorsed essential elements of effective postal reform (cost control, protection for monopoly consumers and financial transparency) and outlined them in a letter to U.S. Postal Service Board of Governors Chairman Louis J. Giuliano

Though known for our advocacy work in the federal arena, Consumer Action's advocacy team stays very active in our home state of California. In the past fiscal year, we joined forces with other groups, including the Consumer Federation of California, the California Consumer Affairs Association and the California Reinvestment Coalition, to support legislation that would: enhance auto safety by prohibiting rental car companies from renting out cars under safety recalls; help homeowners avoid foreclosure by requiring lenders to consider loan modifications first; regulate debt settlement companies and payday lenders, including limiting the fees and interest rates they can charge; prohibit the use of credit checks in most hiring decisions; limit mortgage deficiency debt in the case of short sales and other distress transactions; improve disclosures regarding used cars previously branded salvage or junk; block excessive health insurance premium hikes; extend stronger privacy protections to digital books and other e-reading sources and services; require notification and information be sent to consumers who are the victims of a data breach; and require wireless service providers to notify customers when they are approaching their service limits to avoid "bill shock".

Consumer training and outreach

Consumer Action delivers in-language consumer and personal finance education to low-income and underserved individuals and families across the country through a unique grassroots network of 7,500 community-based organizations, a library of multilingual publications, a traveling team of trainers and a robust suite of websites.

In the last fiscal year, Consumer Action's outreach team traveled to 18 cities across the country and trained close to 800 CBO staff members on topics ranging from managing wireless phone service costs and banking online safely to recognizing housing discrimination and keeping personal data private. We held trainings in more than half of these cities as part of our Capital One-sponsored



➤ MoneyWi\$e program. In addition, our trainers gave presentations, participated in conferences and fairs, and worked directly with community groups and government agencies to disseminate critical consumer information as widely and effectively as possible. Presentations and assistance were delivered in Chinese, English and Spanish.

With millions of Americans still dealing with the mortgage crisis, and with housing discrimination still a widespread issue, much of our trainers' work over the past year focused on housing-related issues. Train-the-trainer housing "roundtable" events in Oakland, Atlanta and Chicago, supported by a \$1 million HUD grant awarded in early 2011, attracted nearly 100 CBO staff members who would take the information and materials we provided on recognizing and fighting housing discrimination into their communities.

Wireless service was another focus area for our trainers, under the AT&T-sponsored WirelessED (WirelessED.org) project launched in March 2011. Our WirelessED roundtables in San Francisco, Baton Rouge, Washington, DC, Boston and Oakland, and briefings in Los Angeles and Fresno, prepared CBO staff to teach their clients how to effectively choose and manage wireless devices and service plans. The City of San Francisco agreed to disseminate our WirelessEd materials to immigrant populations.

The steady migration to online and mobile transactions raised concerns about an increased risk of identity theft, potential data breaches and fraud. In FY 2011-2012, with support from Visa, we developed a training module consisting of three multilingual brochures and a training toolkit on safety and privacy when banking and making payments online or by mobile device. During the year, we planned three regional meetings to be held later in 2012.

Additional trainings were conducted on our Empower U telecommunications module, funded by the California Consumer Protection Foundation; our California Lifeline module, funded by AT&T California; and our Internet Safety training module, created with support from Microsoft.

To help veterans and their families overcome unique financial challenges, Consumer Action's Community Outreach and Training Manager Linda Williams traveled to Washington, DC in March to provide veterans and the groups that assist them with information they need to strengthen their money management skills. Co-hosted with the VETS Group, the roundtable attracted participants from the District of Columbia, Maryland and Virginia as well as staff from New York Congressman Charles B. Rangel's office. In 2011, we held two meetings in San Diego to educate groups serving veterans. Chase supported this work. We also participated in the Military Saves Campaign, providing financial and consumer education materials, information and referrals to military servicemembers and their families at two San Diego bases.

Education and websites

During the last fiscal year, we filled orders for more than 700,000 free, printed copies of our multilingual publications. Half of the publications we distributed were part of MoneyWi\$e modules. Our "Know the Signs of Housing Discrimination" brochure, created along with "Filing a Housing Discrimination Complaint" under a grant from the Department of Housing and Urban Development, was the most sought after, with requests totaling close to 75,000 copies. All orders—both bulk and individual—are filled from our central mailroom in San Francisco at no charge to community groups.



▶ We also published materials on choosing and using mobile devices (as part of our AT&T-sponsored WirelessEd project); savvy and safe online banking and mobile payments (as part of the three-year, Visa-sponsored Digital Dollars project); TV service, wireless phone service, Internet service and telemarketing (under a grant from the California Consumer Protection Foundation); and materials and two short videos on reloadable prepaid cards (funded by American Express). With these recent additions, we now have more than 25 training modules on consumer and personal finance topics, available at no charge to individuals and non-profits.

Just before the close of 2011, Consumer Action was invited to contribute to the Encyclopedia of Consumer Safety, a new two-volume reference to be published by ABC-CLIO that will comprise A-Z entries on nationally relevant consumer-related topics. Scheduled for release in 2013, the encyclopedia will include our entries on complaint filing, telephone assistance programs (Lifeline), affinity fraud and telemarketing laws, as well as a condensed history of the organization.

Our quarterly *Consumer Action News* for the 2011-2012 period focused on: wireless service and parental controls (survey, Spring 2011), effective complaints (Summer 2011), secured credit cards (survey, Fall 2011) and prepaid cards (survey, Spring 2012). The *Consumer Action INSIDER*, now in its second year, continued to provide subscribers and supporters with a monthly update of the organization's activities.

In response to the continuing foreclosure crisis, Consumer Action published "Housing Help: Foreclosure Prevention Guide," a 26-page compilation of programs, agencies, websites and other resources to help struggling borrowers avoid losing their homes.

We launched a fair housing educational campaign with a \$1 million grant from HUD. Working with The Hastings Group and Sage Communications, two DC-area firms, we developed public service announcements for television, radio, print and the Web in multiple languages. We also designed a social media outreach campaign and created a comprehensive educational module consisting of two multilingual brochures, "Know the Signs of Housing Discrimination" and "Filing a Housing Discrimination Complaint."

MoneyWi\$, the long-standing financial literacy partnership of Consumer Action and Capital One, celebrated its 10-year anniversary. Established in 2001, it was the first program of its kind to combine free, multilingual financial education materials, curricula and teaching aids with regional meetings and roundtables to train community-based organization staff so that consumers at all income levels and walks of life could be reached.

As part of the MoneyWi\$ program, we awarded \$135,000 in small grants to those community-based organizations that most successfully use the program's educational tools and materials in their work with diverse and underserved groups. Last year, we made the mini-grant application and compliance process more rigorous, including a requirement that grant applicants provide more extensive reporting on how the money is used. We also increased the grant amount from \$5,000 to \$7,500.

Our second annual National Financial Empowerment Conference, held in Chicago in November, brought together more than 60 trainers, counselors and advocates from close to two dozen states to address critical consumer issues and share best practices in financial education and empowerment. Participants represented successful community-based organizations in our 7,500-member CBO network. Visa, Capital One and Consumer Action's "Managing Money" and "Housing Information" projects underwrote



the conference, with additional funding provided by Citi. This support enabled us to again avoid charging any fee to participants.

Consumer Action's family of websites drew 1,234,535 page views. Introduced last year, our ninth subsite, WirelessED.org, is the result of a partnership with AT&T to help consumers understand and manage their wireless service in a cost-effective way. Visitors to the site can get educational and training materials and tip sheets, view videos and find tools for estimating and monitoring usage. A blog, accessible from the home page, provides an opportunity for us to highlight the latest in the world of wireless.

Administration

Our administrative staff, working out of our San Francisco headquarters, performs a range of functions, from managing the mailroom to ensuring the organization's multiple websites stay up. Each year, our mailroom processes close to 2,000 requests for our free educational materials. To make the ordering process even quicker and easier for our network of community-based organizations, we created an online order form, available to registered members. Registration is a quick online process that requires only a name, state, email address, username and password.

Dedicated counselors in our San Francisco and Los Angeles offices respond to consumer questions and complaints with referrals, non-legal advice and, when appropriate, educational materials. Last year we received more than 8,000 complaints and communications, with 60% arriving via our website and 40% by phone. Complaints came in from virtually every state. The top five states were California, New York, Florida, Texas and New Jersey. In terms of language, English continues to be the most prevalent language, followed by Chinese, Spanish and other Asian languages.

The types of complaints varied widely, with the top four categories being retail, automotive, credit/banking and phone/utility. Hiring an additional hotline counselor has helped us keep pace with the increase in traffic.

For do-it-yourselfers who visit our website seeking specific information, we provide a searchable library of frequently asked questions. Last year, we expanded our FAQs, particularly in the area of cards (credit, debit, prepaid and gift). ■

Feedback from CBOs

I teach financial literacy classes to low-income families of Hudson County, New Jersey. Every single class has received rave reviews! ... [Your education materials are] wonderful, easy to use and highly effective.

—Linnet Brown, WomenRising Inc.

Consumer Action has been the main force that has brought about positive changes in the way our clients manage their money. ... With their new knowledge, clients see a gleam of financial hope in a depressed economy that is finally on the mend.

—Juanita W. Rambo, OIC of Ouachita, Monroe, LA

I wanted to thank you so much for inviting me to this year's Consumer Action Financial Empowerment Conference. It was wonderful! The panels were great and I always learn so much from the other practitioners who attend... Just like last year, you and your team did a great job. Your staff is always on top of everything, and so accommodating in every way.

**—Deborah Lowe Muramoto,
California Capital Financial Development Corporation**

The Empower U training in Oakland was great and I look forward to attending many more. I will definitely share your website with my member agencies as well as community partners.

—Malika Alim, Program Manager, HomeownershipSF

Consumer Action has been our partner for many years with their resources complimenting our topics and service delivery. It is extremely important to provide consumers the latest financial information and "be in the know." Our HUD certified counselors share the materials and we have a lobby where material is displayed. CCCS-OC values the educational and advocacy of Consumer Action!

**—Sahara Navarro-Garcia, Director of Education,
Consumer Credit Counseling Service of Orange County**

The Governor's Office of Consumer Affairs uses the [MoneyWi\$e] materials for lectures given by Investigators at local community functions and churches, in our lobby for the public, and to give to consumers who receive one-on-one counseling from one of our Intake Counselors.

—Heather Turner, Georgia Governor's Office of Consumer Affairs

Staff profile

Michelle De Mooy



Michelle De Mooy joined Consumer Action's Washington, DC office in January 2008. As senior associate for national priorities, De Mooy advocates for consumers on privacy issues, particularly in the digital and health arenas, and on issues related to mandatory pre-dispute arbitration. She is also a regular contributor to *Consumer Action News*, the organization's quarterly newsletter.

Before joining Consumer Action, De Mooy was a senior consultant with M+R Strategic Services, where she managed media strategy for the Campaign for Tobacco-Free Kids, the Wilderness Society, and labor rights group American Rights at Work. Before that, she consulted for non-profits and universities in the Philadelphia area, including the Women's Law Project, where she aided in the agency's efforts to pursue high-impact litigation and public policy for gender equality concerns and volunteered as a legal information counselor for domestic violence victims.

De Mooy graduated from Lehigh University in 1997 with a degree in Government.

In her own words:

My father instilled a great sense of justice and fairness in me. He's the kind of person who always fights for what he believes is right and taught my sister and me to do the same. My mom was also a great influence in that she worked as a domestic violence advocate for a long time and now is a Licensed Clinical Social Worker (LCSW). She taught me never to judge people for their circumstances, but rather their character, and that it is our civic duty to help those who need us.

Working for Consumer Action, I get to combine my desire to do 'big picture' advocacy and policy work along with real world outreach and education. In the four years or so that I've been with the organization, I've worked more and more on the issue of digital privacy, including online privacy and health/medical records privacy. It's a fast-changing, incredibly complex issue that has been fascinating to work on. My challenge is to make sure all of the techno-speak and policy gobbledygook that comes out of DC is translated for folks at a community level so that they understand the issue and how it affects them. My friends and family joke that my job is, basically, to make them paranoid.

My own financial education has really grown since I've been at Consumer Action. I definitely didn't take the time to investigate financial products, nor did I really make budgeting and saving a part of my everyday life. I do now! And having Consumer Action in my life during some significant changes—I bought my first house, had two kids—has been so helpful. The organization has so many useful tools and so much practical information to help guide people through





big financial shifts.

I think Consumer Action has a unique impact on everyday people. I work with a lot of great organizations in DC but I can honestly say that none of them has the community reach and direct service that we do. Our trainers and outreach staff work so hard to make sure community-based organizations have everything they need to deliver their best programs. Small CBOs just don't have the resources to develop materials, nor do they have the resources to

stay on top of changes in issues like housing and credit cards. That's where we come in, and I'm proud to say that it makes a real difference.

I think online privacy will continue to be a big issue in the foreseeable future, particularly how personal privacy is impacted by mobile phones and electronic health records. There have been polls and surveys that have shown that consumers really want their privacy to be protected online, yet Congress has yet to enact—or even agree on—baseline privacy protections. I think the more the public makes their voice heard to their representatives, the more change will happen.



Staff profile

Ricardo Perez



Ricardo Perez has been a member of Consumer Action's staff since August 1999. Perez is in charge of the organization's mailroom, which means he handles all shipping and receiving, fulfills bulk orders of publications for community-based organizations across the country, and maintains a system that ensures over 700,000 pieces of mail go out on schedule. On occasion, Perez helps with special event coordination and other ongoing and special projects.

Before joining Consumer Action, Perez was employed by Document Copy Service and achieved certification as a telecommunications technician from Skyline College.



Perez and his family immigrated from the Philippines in 1994.

In his own words:

At first I didn't really understand what Consumer Action was all about. But having worked here for several years, learning how the organization works and seeing the contributions the organization provides to consumers, it's a huge motivation to me. I myself am a consumer. I like that there's an organization looking out for my rights.

The most fascinating aspect of my job is being able to share with my friends and family about the kind of organization I work for. My employer is an organization that is providing good resources, guidance and solutions to everyday consumers' needs.

My role in Consumer Action has played a big role in my own financial education. Over the years I have encountered my own financial worries, and it felt good to be able to use some of our own resources to help in my personal situations.

Consumer Action provides awareness for people on an everyday basis. If consumers aren't cautious about how they make their purchases, sellers will take advantage of them. Business is business. If a consumer is not meticulous about who they buy from, they may be cheated. Thankfully, individuals can count on Consumer Action, an organization that is willing to take action on their complaints and provide a means of recourse when needed.

With the high percentage of unemployment and the economy still unsteady, savings will be an important issue moving forward. It's necessary to save for rainy days. Consumers will need to be more sensible and wise in terms of spending. ■

Spotlight on . . .

Our community-based partners

VETS Group, Inc. (Veterans Enterprise Training & Services Group)

When Joe Wynn, a Vietnam-era veteran and long-time veterans advocate, founded the non-profit VETS Group in 2004, he saw an opportunity to help veterans achieve the American Dream they had risked their lives to preserve for others. The VETS Group, headquartered in Washington, DC, is a holistic veterans support program that provides entrepreneurial education, employment assistance, Microsoft/CISCO Network training and financial literacy mentoring, primarily for veterans, their families, people with disabilities and those of limited means.

One of the major goals of the VETS Group is to increase the number of procurement opportunities for veteran- and service-disabled veteran-owned businesses to contract with the government to supply needed goods and services. The organization does that by offering veteran business owners federal procurement training and forming partnerships with large corporate enterprises that can offer business opportunities, mentoring, growth capital and access to international markets. By fostering entrepreneurship, the VETS Group helps to empower veterans to become self-employed in an economy where there are many applicants competing for a single job.

The VETS Group also fosters financial self-sufficiency—a good credit report, a bank account and a balanced budget all are necessary to start and run a successful business. A mini-grant from Consumer Action, awarded in early 2012, is being used by the VETS Group to help unemployed or underemployed veterans obtain, review and improve their credit reports, establish a bank or credit union account—the first 50 participants receive \$25 to open their new account—create a budget, take steps to protect their identity and, in some cases, learn the basics of small-business finance.

Consumer Action will continue to support the organization's efforts by providing trainings in DC and at various national veterans events, and by continuing to supply the group with the free, multilingual financial education materials they've been relying on. ■

HomeFront, Inc. (Homeownership Center of Buffalo)

Buying and owning a home has never been easy. From saving up the downpayment to managing the costs of upkeep and major repairs, homeowners must overcome a variety of financial challenges. Recently, the challenges of homeownership have become even greater, with high





unemployment, runaway foreclosures, tighter lending criteria and disappearing equity. Still, owning a home remains a life goal and financial priority for many people.

HomeFront, Inc., a New York-based community development corporation, has been helping Buffalo and Erie County residents buy—and keep—their homes since 1975. Each year, HomeFront assists approximately 1,200 mostly low- to moderate-income households and individuals through comprehensive education, one-on-one counseling, affordable housing opportunities and financial assistance programs. Staff members serve as both advocates and advisors for consumers making their way through the homeownership process.

The organization is also considered by the City of Buffalo to be the lead agency in acquiring, rehabilitating and reselling houses. As of this writing, HomeFront was in the middle of a three-year project to rebuild and resell 10 homes on one city block using city and state grant money. To keep the neighborhoods where they invest from becoming gentrified and to avoid putting prospective buyers in a financially tenuous position, HomeFront sets their home prices to be affordable for a buyer with an income of 80% of the area median.

Consumer Action awarded HomeFront a mini-grant in 2011 to be used to support and expand the organization's work with future homeowners. Employing the funds they received, HomeFront staff were able to assist 164 clients to establish savings accounts with banks or credit unions and provide individual counseling and mortgage readiness analysis to 225 clients.

“HomeFront has been utilizing Consumer Action's MoneyWi\$e materials since 2006. The materials and topics are well produced, user friendly and address current financial trends,” said HomeFront's program director, Jean Berry. “The MoneyWi\$e mini-grant has allowed HomeFront to enhance our existing Homeownership Program by supporting program costs, which enabled us to assist more households in achieving their financial goals.” ■

40th anniversary sponsors

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Educational partners

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Cy pres awards

Consumer Action's work was supported in part with cy pres awards from these lawsuits: In re ATI Tech. HDCP Litigation | Griego, et al. v. Rent-A-Center | Bank of America Privacy Cases

Coalitions

Consumer Action worked closely with these organizations and coalitions:

Americans for Fairness in Lending (AFFIL) | Americans for Financial Reform | California Reinvestment Coalition (CRC) | Coalition for Patient Privacy | Consumer Federation of California (CFC) | Consumer Financial Protection Agency Coalition | Consumer-Labor Coalition | Credit Card Working Group | DC Advocates Coalition | Digital Due Process Coalition | EPIC Privacy Coalition | Fair Arbitration Now Coalition | Fake Check Working Group | Foreclosure Prevention Coalition | Fraud Alliance | Getting Older Adults Online (GOAL) | Health Care Reform Coalition (Families USA) | Identity Theft Prevention Coalition | Internet Privacy Working Group | Mortgage Coalition | Payday Loan Coalition | Small Dollar Loan Working Group | Subscriptions Upselling Working Group | Transatlantic Consumer Dialogue | Unemployed Homeowner Foreclosure Prevention Coalition

Community network

Many thanks to our educational network of 7,500 community-based organizations nationwide. We appreciate the work you do and respect your commitment to excellence.

Statement of activities

Year ended March 31, 2012

| | <u>Unrestricted</u> | <u>Temporarily Restricted</u> | <u>Total</u> |
|---|---------------------|-----------------------------------|------------------|
| Support and revenue | | | |
| Support | | | |
| Individual contributions | \$ 1,160 | \$ | \$ 1,160 |
| Foundation and corporate grants | 40,000 | 1,327,993 | 1,367,993 |
| Government grant | 619,987 | | 619,987 |
| Special event: | | | |
| Donations | 1,680 | | |
| Admission | <u>121,580</u> | | |
| Special event revenue | 123,260 | | |
| Less: cost of direct benefits to donors | <u>(8,653)</u> | | |
| Special event, net | 114,607 | | 114,607 |
| In-kind support | | | - |
| Total Support | <u>775,754</u> | <u>1,327,993</u> | <u>2,103,747</u> |
| Revenue | | | |
| Membership dues | 4,770 | | 4,770 |
| Interest income | <u>57,130</u> | | <u>57,130</u> |
| Total Revenue | <u>61,900</u> | <u>-</u> | <u>61,900</u> |
| Net assets released from restrictions | <u>2,547,338</u> | <u>(2,547,338)</u> | <u>-</u> |
| Total Support and Revenue | <u>3,384,992</u> | <u>(1,219,345)</u> | <u>2,165,647</u> |
| Expenses | | | |
| Program | 2,905,292 | | 2,905,292 |
| General and administrative | 601,278 | | 601,278 |
| Fundraising | <u>189,791</u> | | <u>189,791</u> |
| Total Expenses | <u>3,696,361</u> | <u>-</u> | <u>3,696,361</u> |
| Change in Net Assets | (311,369) | (1,219,345) | (1,530,714) |
| Net assets, beginning of year | | | |
| As previously reported | 1,259,290 | 6,419,599 | 7,678,889 |
| Prior period adjustment | | | - |
| Balance at beginning of year, as restated | <u>1,259,290</u> | <u>6,419,599</u> | <u>7,678,889</u> |
| Net assets, end of year | \$ 947,921 | \$ 5,200,254 | \$ 6,148,175 |

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Consumer Action has been a champion of underrepresented consumers nationwide since 1971. A non-profit 501(c)3 organization, Consumer Action focuses on consumer education that empowers low- and moderate-income and limited-English-speaking consumers to financially prosper. It also advocates for consumers in the media and before lawmakers to advance consumer rights and promote industry-wide change.

By providing consumer education materials in multiple languages, a free national hotline, a comprehensive website (www.consumer-action.org) and annual surveys of financial and consumer services, Consumer Action helps consumers assert their rights in the marketplace and make financially savvy choices. Nearly 7,500 community and grassroots organizations benefit annually from its extensive outreach programs, training materials and support.

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