

Consumers' Research

established 1929

Bulletin • Winter/Spring 2014

The Consumers' Research 2014 Consumer Sentiment Survey

Joe Colangelo

Light Therapy to Treat Seasonal Affective Disorder

Lorraine Dauphine

Major Tax Changes that Could Affect your Refund

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Guess What's Escaping Your Attic?

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Consumers' Research is an independent educational organization whose mission is to increase the knowledge and understanding of issues, policies, products, and services of concern to consumers and to promote the freedom to act on that knowledge and understanding.

Consumers' Research believes that the cost, quality, availability, and variety of goods and services used or desired by American consumers—from both the private and public sectors—are improved by greater consumer knowledge and freedom.

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Consumers' Research
1801 F St NW, Washington, DC 20006
202-898-0459



Consumers'
Research
established 1929

Letter *from the* Executive Director

Joseph Colangelo

Consumers' Research has worked since 1929 to provide consumers with critical information, reviews, and warnings about products and services. Our founder, F.J. Schlink, passionately pursued protecting the American consumer through a variety of channels. In addition to educating the consumer he worked to educate and strengthen the federal regulatory bodies that regulate consumer affairs.

When Schlink began his work, regulatory bodies had insufficient authority and resources to keep harmful products from reaching consumers.

This winter we conducted a national poll of American consumers and asked a series of questions on our focus areas, namely healthcare, energy, and finance and spending. Among the results, of which an executive summary can be found on page 5 of this magazine, was a surprising result. We asked Americans how often they believed that the governmental regulatory bodies responsible for regulating consumer issues act in the best interests of consumers. They were given the options of nearly all the time, most of the time, some of the time, rarely ever or never.

Among all respondents, only 6% said governmental bodies act in the best interest of consumers nearly all the time, 14% most of the time, 34% some of the time, 34% said rarely ever and 7% said never. To put these results into starker perspective, only 20% of American adults believe that consumer regulatory bodies act in the best interest of the consumer nearly all or most of the time.

For those respondents who answered that consumer agencies do not act on consumers' interests either most or all of the time we asked in whose interests they do act. Among the choices provided, large corporations and political parties each were responsible for about a quarter of the selected responses followed by a near tie for second between the agency's own interest, other special interest groups, and Labor Unions.

We find the results of this question in our poll to be troubling. Consumer regulatory bodies exist

to defend the American consumer against special interests that would do them harm. A core distrust for them has the potential to allow consumers to engage in dangerous behavior.

Consider a recent study released by the Journal of Pediatrics entitled Effective Messages in Vaccine Promotion: A Randomized Trial. This study examined the effectiveness of messages designed to reduce vaccine misperceptions and increase vaccination rates for measles-mumps-rubella (MMR). It found that direct public health messaging in support of vaccinating children actually decreased the average parent's intent to vaccinate.

Whether this is endemic of a generally more distrustful and cynical American parent or a heightened distrust in consumer regulatory bodies requires additional study. It does show, however, one very dangerous effect caused by a distrust in organizations like the Food and Drug Administration (FDA) and Center for Disease Control (CDC). Consumers' Research intends to examine what we would classify as this apparent distrustful attitude towards governmental agencies more closely throughout 2014. We will develop our survey methodology to piece apart the combination of instinctive distrust of government and the reality of government regulatory shortcomings that contribute to this reading on sentiment. In the news recently there are a number of government actions recently that have claimed to protect the consumer and in reality have garnered enormous consumer backlash. These include:

- The New Jersey Motor Vehicle Commission's banning of Tesla sales directly to consumers
- The FDA's warning letter to 23andMe which caused the company to cease offering health results to consumers who wanted them
- New York City's attempt to block the sale of soft drinks larger than 16 ounces, an edict which 60% of New Yorkers opposed¹

The American consumer has never had more options available to her than she does now. Apps and businesses exist that help protect consumer choice and cost in ways never before possible. These technological advancements may also make consumers feel more independent and less reliant on the government for these protections. There is a large difference, though, in choosing a restaurant based on their yelp reviews and deciding whether to get one's children vaccinated. Governmental regulatory bodies are staffed with thought leaders in their fields. When functioning correctly they are experts so that we don't have to be. ◀

¹ <http://www.nytimes.com/interactive/2012/08/22/nyregion/22nyc-poll.html?gwh=5376F63D15D953266C6B5C2E4FD2881F&gwt=pay>

Should You Continue To Take Vitamins?

by Ruth Ann Monti

"Enough is Enough. Stop Wasting Money on Vitamin and Mineral Supplements."¹

That's just the title of an editorial that appeared in the normally sedate *Annals of Internal Medicine*, a respected medical journal, in December 2013.

The *Annals'* editorial board was clearly motivated by three articles in that issue that reviewed studies of vitamins and supplements. Two warned of potential harm from some vitamins and supplements. The sharpest criticism went to multivitamins.

"Supplementing the diet of well-nourished adults with (most) mineral or vitamin supplements has no clear benefit and might even be harmful. These vitamins should not be used for chronic disease prevention. Enough is enough."²

Will Big Vita Fight Back?

Even during that busy holiday season, the editorial received a good amount of press. It's interesting to note that it also came on the heels of botched recommendations from the American Heart Association that would have expanded the pool of patients taking statins to reduce heart attack risk.

To the average person, all this is more than a little confusing. On the one hand, many people are suspicious of any recommendation that boosts the pharmaceutical manufacturers. But the vitamin industry? They don't seem as pushy. Their websites are all about self-care and making yourself healthier; in effect, their products can spare you the pain and cost of prescription drugs.

While they don't wield the financial power of pharmaceutical manufacturers, Big Vita hasn't done too badly. According to the *Annals* editorial, the vitamin and supplement industry in the US alone reached \$28 billion in sales in 2010.³

The Council for Responsible Nutrition (CRN), a major lobbying group for the vitamin and supplement industry, includes pharmaceutical and food manufacturers who also make vitamins and supplements. They include powerhouses like Abbott Nutrition, Archer Daniels Midland, Cargill, Novartis,

This cannot substitute for the advice of a medical professional. Consumers' Research is not a doctor.

Pfizer, and Proctor & Gamble.

CRN is taking a measured, evenhanded response. "We were astonished by the conclusions reached by the writers of that editorial," Steve Mister, President & CEO says in a video on its website. "We reviewed the research and came to the opposite decision. Multivitamins fill in the gaps consumers miss in their daily diet."

Spend Your Money on Healthier Food

The *Annals* argues that the general US population does not show evidence of "micronutrient deficiencies" that require a multivitamin or supplement.

It's not just consumers who are wasting money, says *Annals'* lead editorial writer Eliseo Guallar, MD, of Johns Hopkins University. "We don't need to go on studying them forever," he told USA Today. Research money, he added, is wasted on multivitamin studies.⁴

A lot of food we buy includes additional supplements and nutrients. You might recognize these catchphrases:

- Packed with 8 Essential Vitamins and Minerals
- Fortified with Folic Acid
- 100% Vitamin C

The Food and Drug Administration (FDA) reviews all food, drug, and supplement labels and certifies the presence of added vitamins and minerals. Manufacturers know better than to print out supposed health benefits and how far they can push claims about "natural" or "low fat."

Some Supplements Do Provide Benefits

Don't throw out all your supplements just yet. Both the CRN and the *Annals* agree that a few vitamins and supplements are beneficial for certain populations.

- Folic acid taken by pregnant women can benefit fetal development
- Some Vitamin D studies might prevent falls among elderly persons, although more falls were observed in one study

As always, consult a doctor before embarking on a supplemental regimen. ◀

Sources:

1. Guallar, Eliseo et. al. "Enough is Enough: Stop Wasting Money on Vitamin and Mineral Supplements. *Annals of Internal Medicine*, 2013; 159(12) pp. 850-851. Web. < <http://annals.org/article.aspx?articleid=1789253>>
- 2/3. Ibid.
4. Kim Painter, "Medical journal: 'Case closed' against vitamin pills." USA Today, 12/17/2013. Web. < <http://www.usatoday.com/story/news/nation/2013/12/16/vitamin-supplements-research/4042037/>>

The State of the American Consumer:

The 2014 Consumer Sentiment Survey

Consumers' Research is a non-profit organization dedicated to serving the consumer through education. Our use of surveys fills multiple purposes. Foremost, they assist us in identifying consumer knowledge gaps, areas in which education can have the greatest impact in improving the amount of relevant information available to consumers.

Additionally, surveys allow us greater insight into consumer sentiment toward policies, trends, and relevant consumer news. Since 1929 we have always provided consumers with relevant information about products, companies, and trends. This summer we will launch data.consumersresearch.org to provide consumers with more information about themselves and their habits, beliefs, and knowledge.

Opinion of the Economy

Among all respondents, when asked to rate the status of the economy, 6% said excellent, 17% good, 39% fair, and 37% poor. Wealthier Americans give the economy slightly better ratings than those with lower incomes. Among respondents that have an annual household income of \$100,000 or more, 30% believe the economy is poor, compared to 42% of respondents with an annual household income of \$40,000 or less.

Americans are split three ways when asked their thoughts about the state of the economy in the next 12 months, with 33% believing the economy will get better, 30% that it will get worse and 36% that it will stay the same. Minorities are significantly more optimistic than white respondents about the next year, with 56% of African Americans, 52% of Latinos and 50% of Asians believing the economy will get better. When asked about their own personal financial situation in the past 12 months, 28% of all respondents said it has gotten better, 29% gotten worse, and 43% have stayed the same.

Household Budget Concerns

The top three household budget items that consumers are most concerned about going up in cost are medicine and healthcare costs, food prices, and gasoline prices, and there are differences in importance by population subgroup.

In particular, the survey finds younger and less wealthy consumers are more concerned about the cost of food increasing than they are about their health care costs. The results are the opposite for older, wealthier individuals, among whom health care costs are a larger concern. The following table shows responses by population subgroup.

The number one concern among consumers was medicine and the cost of medicine and health care.

"Thinking now about planning your household budget, which of the following items are you most concerned about going up in cost in the next twelve months?"

Items	All	All Men	Marr. Men	Sing. Men	All Wom	Marr. Wom	Sing. Wom
Medicine & HC	27%	31%	36%	25%	23%	25%	20%
Food Prices	26%	26%	25%	28%	26%	26%	26%
Gas Prices	17%	17%	17%	17%	17%	15%	19%
Home Heating	12%	11%	11%	11%	12%	14%	10%
Rent/Mortgage	11%	7%	6%	10%	14%	11%	18%
Tuition	3%	3%	3%	1%	3%	3%	4%
Childcare	1%	1%	1%	1%	2%	2%	1%
Other	1%	2%	1%	4%	1%	1%	1%
DK/Refused	3%	3%	1%	4%	3%	3%	3%

some numbers shown were rounded to the nearest whole number, DK means "don't know".

Items	18-29	70+	40K Less	100K More
Medicine & HC	15%	35%	19%	35%
Food Prices	21%	32%	33%	15%
Gas Prices	26%	9%	17%	20%
Home Heating	10%	16%	13%	10%
Rent/Mortgage	17%	2%	13%	8%
Tuition	6%	0%	1%	6%
Childcare	4%	0%	1%	0%
Other	0%	2%	2%	2%
DK/Refused	2%	5%	1%	5%

some numbers shown were rounded to the nearest whole number, DK means "don't know".

Among the respondents that ranked medicine and healthcare costs as their top cost concern, the survey asked them to pick two healthcare items in particular. The following is a summary of the responses:

Overall cost of health insurance.....	32%
Cost of healthcare not covered by insurance.....	26%
Cost of drugs and pharmaceuticals.....	21%
Doctor's visits.....	10%
Hospital/urgent care costs.....	8%
Medical devices	1%
Assisted living facility costs.....	1%
In-home nursing care costs.....	1%

HC getting...	All	18- 29	30- 39	40- 49	50- 59	60- 69	70 +	HS Less	Sme Coll	4Y+ Coll	Rent	Own Hme
Better	23%	28%	30%	15%	22%	23%	17%	19%	20%	27%	23%	23%
Worse	54%	41%	50%	67%	51%	56%	61%	55%	60%	51%	48%	58%
Same	18%	22%	16%	12%	22%	16%	19%	19%	14%	19%	23%	16%
Refused	6%	9%	5%	6%	5%	6%	3%	8%	6%	3%	8%	4%

some numbers shown were rounded to the nearest whole number, DK means "don't know".

HC getting...	All	All Men	Marr. Men	Sing. Men	All Wom	Marr. Wom	Sing. Wom	All Wht	All Blk	All Hisp	All Asn
Better	23%	22%	23%	22%	23%	25%	21%	18%	46%	34%	34%
Worse	54%	56%	57%	54%	52%	55%	49%	61%	21%	40%	41%
Same	18%	17%	16%	19%	19%	16%	21%	16%	25%	17%	17%
Refused	6%	5%	4%	5%	6%	4%	8%	4%	8%	10%	8%

some numbers shown were rounded to the nearest whole number, DK means "don't know".

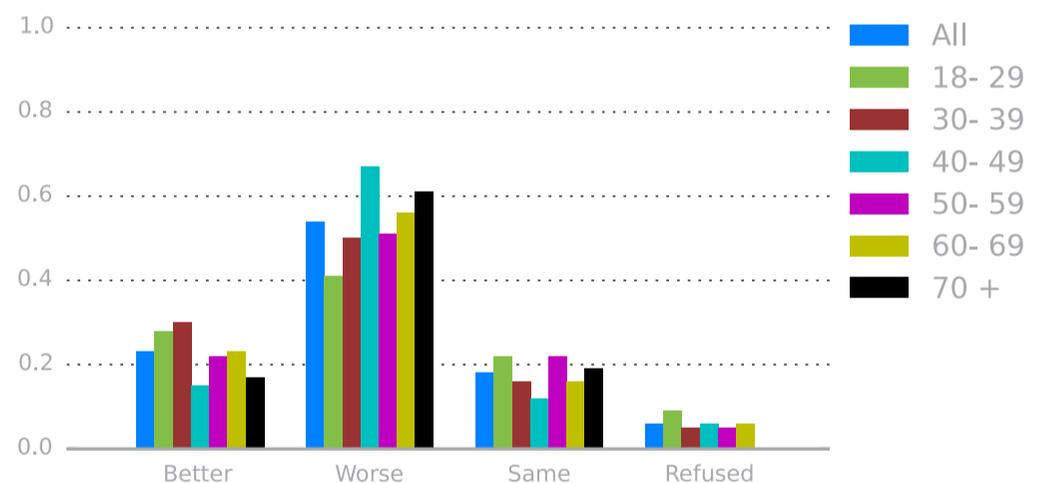
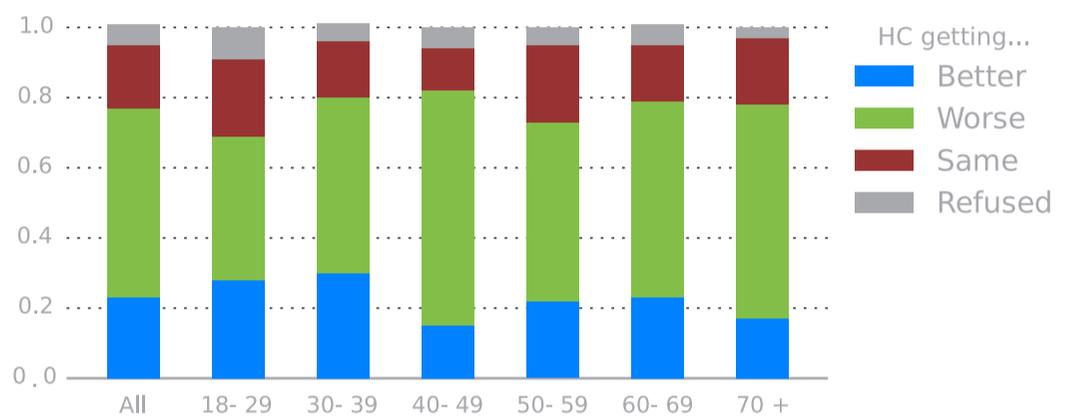
On the specific matter of health insurance, consumers across the political and socioeconomic spectrum generally believe that the costs of insurance coverage will rise. The survey measured consumer opinion of health insurance costs, in particular if they thought they would go up, go down or stay the same over the next 12 months. Eight in ten respondents, or 82%, believe health insurance costs will go up, and 37% believe health insurance costs will go up significantly. Only 6% believe health insurance costs will go down and 8% believe they will stay the same. There is very little difference in opinion across all population subgroups regarding this question.

Though they anticipate paying more for health insurance, consumers also believe that the healthcare system in this country will not get better as new regulations are implemented as part of the Affordable Care Act. Only 23% of American consumers believe that the health care system is getting better, 54% believe it is getting worse, and 18% think it will remain about the same. The tables above show responses by population subgroup.

Personal Income and Savings

Another focus of the research was to measure consumers' feelings about their own personal financial situation, both short and long term. Respondents were also asked if they felt their current household income was sufficient for the amount of expenses they have. Among all respondents 52% said yes and 45% said no. Looking at the responses by population subgroup, we see a demographic picture of those who are struggling the most in America:

While a slight majority of consumers said they have sufficient income to cover their current expenses, only 38% of respondents said they had sufficient savings for retirement and 54% said they did not. The population subgroups that have the highest percentage of respondents not having sufficient



savings for retirement include women (61%), single women (67%), individuals aged 40 to 49 (67%), and individuals who rent (66%).

To complete the picture of household financial security in America, those respondents who are employed were asked how many months of living expenses their current savings could cover if they lost their job. Twenty-five percent of said less than a month, another 25% said one to three months, and 18% said four to six months for a total of 68% of employed respondents having six months or less of savings to cover expenses if they lost their job.

Do you feel you are on track to have sufficient savings when you retire?

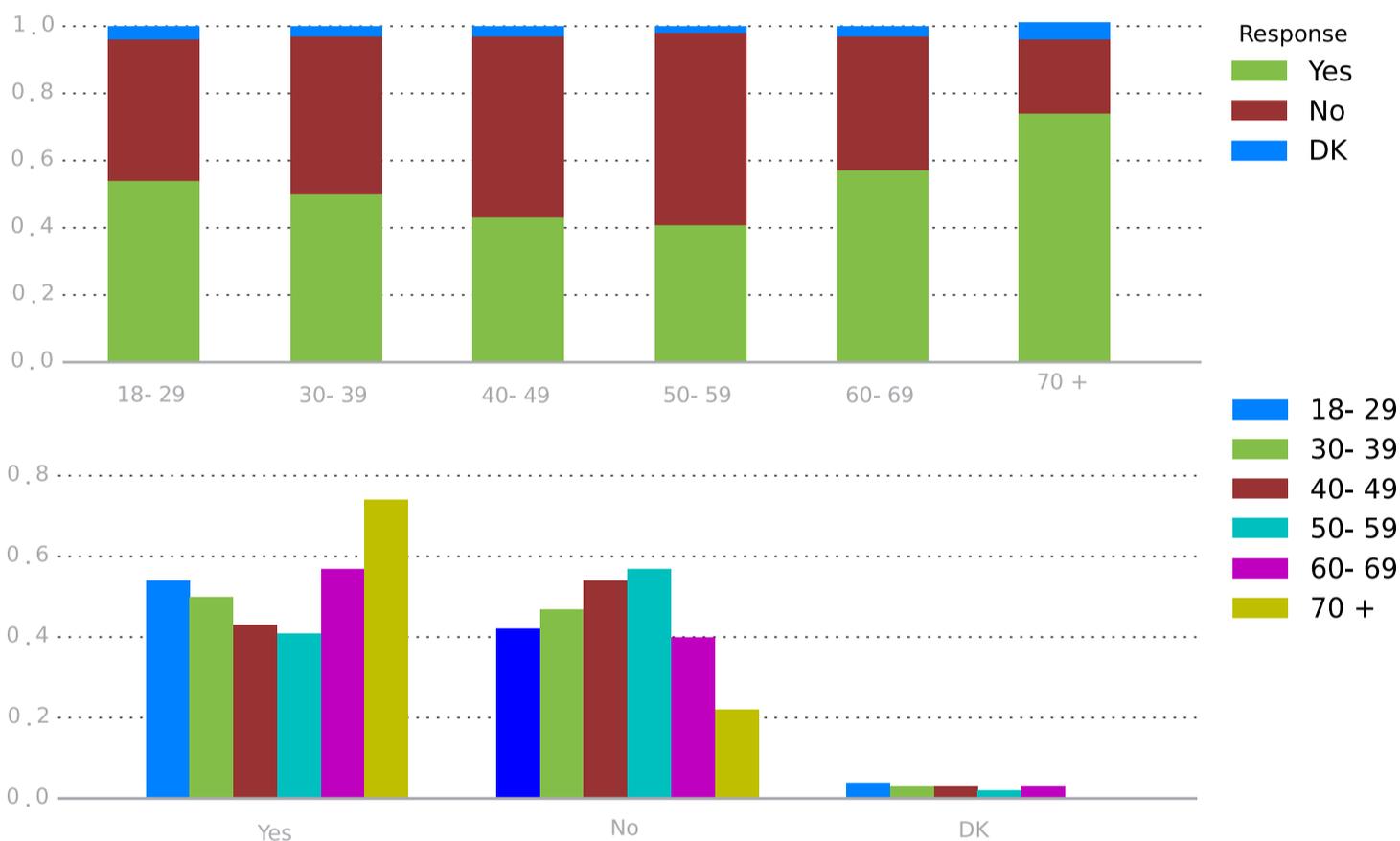
	All	All Men	Marr. Men	Sing. Men	All Wom	Marr. Wom	Sing. Wom	All Wht	All Blk	All Hisp	All Asn
Yes	38%	45%	52%	35%	32%	38%	25%	39%	38%	43%	49%
No	54%	46%	39%	57%	61%	56%	67%	53%	54%	50%	45%
DK	8%	9%	9%	9%	7%	6%	9%	8%	9%	8%	6%

some numbers shown were rounded to the nearest whole number, DK means "don't know".

	All	18- 29	30- 39	40- 49	50- 59	60- 69	70 +	HS Less	Sme Coll	4Y+ Coll	Rent	Own Hme
Yes	38%	42%	34%	28%	33%	45%	52%	30%	28%	47%	26%	45%
No	54%	51%	60%	67%	61%	46%	26%	60%	63%	47%	66%	47%
DK	8%	7%	6%	5%	6%	9%	22%	10%	9%	7%	8%	8%

some numbers shown were rounded to the nearest whole number, DK means "don't know".

Do you feel that your current household income is sufficient for the amount of expenses you have?



Consumer Views of the Housing Market

A clear majority of consumers expect home prices and home rental(s) to increase in the next twelve months. Among all respondents 64% said home prices will go up, with 12% saying significantly and 52% believing they will go up some. Only 8% expect prices to go down, and 25% believe prices will stay the same. Of course, the housing market varies by region across the country. Reviewing the results by region, we find consumers on the West Coast and in the Southwest are more likely to expect home prices to increase than fellow consumers in the Midwest and the Rockies/ Plains states:

Overall most consumers believe now is a good time to buy a house, yet there are differences depending on income level. Among all respondents

69% said it was a good time to buy a house, with 14% saying it is a very good time and 55% saying it is somewhat of a good time. Only 22% of consumers feel that it is a bad time to buy a house. Among respondents in households with incomes of \$100,000 or more, 79% think it is a good time to buy a house. Consumers in households with \$40,000 of annual income or less are less enthusiastic, with 60% thinking it is a good time to buy a house.

Consumer opinion on selling a house is more mixed. Among all respondents, 43% believe it is a good time to sell and 49% believe it is a bad time. Again, we find differences based on household income levels, with 55% of consumer households with a \$100,000 income or more saying it is a good time to sell a house compared to 40% of consumer households with incomes of \$40,000 a year or less.

“During the next 12 months, do you think home prices in general will go up significantly, go up some, stay the same, go down some or go down significantly from where they are now?”

Home Prices	All	West Coast	South West	Mid Atlantic	New England	Mid West	Rockies Plains
Total go up	64%	76%	67%	63%	62%	56%	57%
Significantly	12%	17%	8%	18%	6%	8%	14%
Some	51%	59%	59%	45%	55%	48%	43%
Total go down	8%	5%	12%	7%	6%	10%	0%
Significantly	1%	1%	1%	1%	0%	1%	0%
Some	7%	4%	11%	6%	6%	9%	0%
Stay the same	25%	17%	17%	30%	29%	28%	39%
No opinion	4%	3%	5%	1%	4%	6%	4%

Of course one of the primary factors in deciding to purchase a home is the mortgage interest rate. The survey asked consumers if they thought mortgage interest rates would go up, go down or remain the same in the next 12 months. Among all respondents, 55% believe they will go up, 9% think they will go down and 28% believe they will stay the same. Responses among most population subgroups were the same as the overall numbers, but there were some slight differences between different regions in the country:

Consumer Opinion of Banks and Banking Services

Overall, consumers are satisfied with their primary banks. Among all respondents 86% said they were satisfied, 46% very satisfied and 40% somewhat satisfied. Only 10% of respondents said they were dissatisfied with their bank. The top features that consumers value the most from their bank are:

- free checking (26%)
- online banking (24%)
- availability of ATMs (14%) and
- convenient bank locations (13%)

It is notable that customer service came in fifth among all options, followed by “reasonable” charges and overdraft fees (5%), competitive savings account returns (3%) and “reasonable” lending rates (2%). The bank features that consumers dislike the most are the low return on savings accounts (22%), overdraft fees (18%), ATM fees (10%), and checking fees (10%). Other features that consumers dislike the most are high lending rates (8%), insufficient branch locations (8%), confusing forms and agreements (6%) and poor customer service (4%).

Consumer Feelings Towards Credit Card Industry and Companies

The survey also asked respondents to rate their feelings toward the credit card industry and credit card companies. Using a scale of zero to 100 with 100 meaning a warm favorable feeling, 50 meaning neutral and not particularly warm or cold and zero meaning a cold, unfavorable feeling. The responses shown are the mean for the industry and each credit card company:

The Credit Card Industry	38.9
American Express	44.2
Visa	39.5
Master Card.....	49.5

Consumers were also asked if they read the terms and conditions when applying for a credit card. Among all respondents, 78% said yes and 22% said no. Among those that responded no, a follow up question was asked to determine why. The following are the responses:

Too long	28%
The form is too complicated	23%
Contains legal terms, not familiar with them....	18%
Have no other choice to get a credit card	11%
I trust existing laws and regulations	8%
I trust other people have read it.....	6%
Don't know.....	6%

Consumer Trust

To achieve an understanding of how consumers view government regulations and the governmental bodies whose mission is to protect consumers, a series of questions were asked to respondents. In particular, consumers were asked how often they believed that the governmental regulatory bodies responsible for regulating consumer issues acted in the best interest of consumers:

“In general, how often do you believe that the governmental regulatory bodies responsible for

regulating consumer issues act in the best interests of consumers, nearly all the time, most of the time, some of the time, rarely ever or never?

Among all respondents, only 6% said governmental bodies act in the best interest of consumers nearly all the time, 14% most of the time, 34% some of the time, 34% said rarely ever and 7% said never. To put these results into starker perspective, only 20% of American adults believe that consumer regulatory bodies act in the best interest of the consumer nearly all of the time or most of the time. Among all population subgroups, African-American consumers hold a noticeably different viewpoint, with 29% believing that regulatory bodies act in the best interest of the consumer nearly all of the time or most of the time. To further understand the perception of these governmental regulatory bodies, the following question was asked to respondents:

“If not in the consumers best interest, whose significant interest do government regulatory bodies also act, large corporations or corporate associates, political parties, the agency’s interest, special interest groups or labor unions?” (1,125 interviews, 2.92% MoE)

Large corporations or corporate associates.....27%
 Political parties.....25%
 The agency's own interest.....19%
 Other special interest groups.....14%
 Labor Unions.....12%
 Unsure or no opinion.....3%

As the results indicate, 52% percent of Americans think government regulatory bodies act with corporate and political parties in mind rather than the consumer. These results indicate a lack of faith and trust in the government’s consumer regulatory efforts. To measure consumer opinion of the “just right amount” of government regulation, the following two viewpoints of government regulation were read to respondents:

“Some people believe that government regulations affecting consumers should be generally limited to protecting them from unsafe products, fraud, deceptive advertising and other unethical business practices while....”

“Other people believe that in addition to the areas described above, the government has an expanded responsibility to use its regulatory authority to prevent consumers from making unhealthy choices or bad financial decisions. Which statement comes closer to your point of view?”

Limited regulation and protection.....60%
 Expanded regulation and protection.....26%
 Unsure or no opinion.....14%

A clear majority of consumers believe that government regulation should be limited to protecting them from unsafe products, fraud, deceptive advertising and other unethical business practices. Only a quarter of Americans believe that the government has an expanded responsibility to prevent individuals from making unhealthy choices and bad financial decisions.

Consumers’ Research will continue to research the impact of current events, policy, and the regulatory landscape on consumer sentiment as well as the cost, availability, and safety of consumer goods. ◀

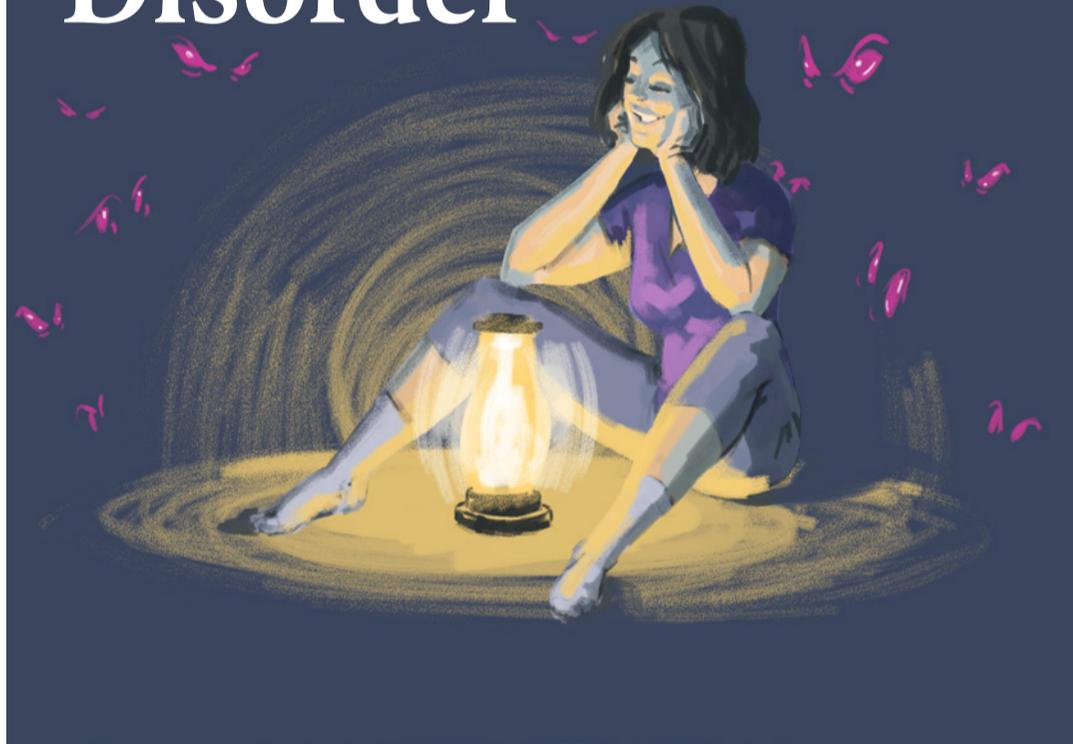
As the days leading into fall and winter get fewer hours of sunlight, some people may experience a type of seasonal depression, which is typically referred to as Seasonal Affective Disorder (SAD). Victims of SAD tend to recover fully during the rest of the year, but during these darker months the numerous symptoms that occur with SAD appear in full force. Some of these warning signs include excessive sleep, mood swings, depression, suicidal thoughts, anxiety, feelings of hopelessness, loss of motivation, social withdrawal, less interest with family and friends. Extreme weight gain during this time of the year is another associated symptom.

Because SAD is still a relatively new discovery, many health care professionals may not detect that the symptoms these patients exhibit is associated with SAD and therefore misdiagnosed. However, for those lucky enough to have been evaluated correctly, light therapy boxes can have a tremendous positive effect for people who are suffering with this affliction. The boxes range in price from \$360 to \$500, but because of their increasing use and popularity, new designs are routinely being marketed, which might reduce the cost down the road.

Over the last several years, there have been numerous clinical studies at several research centers throughout the United States that have had great success with patients using light therapy, since it is the first treatment of choice for SAD. According to a research report out of Columbia University, the first study to demonstrate the clinical effect of light therapy was at the National Institute of Mental Health in the early 1980s. To date, more than 2,000 SAD patients have been studied and evaluated. This modality of treatment is most often used by psychiatrists, sometimes in conjunction with anti-depressants; however, family doctors, psychologists and an increasing number of clinicians are offering light therapy as part of their practice.

Although, the exact mechanism that occurs when a patient uses the therapeutic level of illumination is uncertain, blood samples reveal that the hormone Melatonin, which prepares our bodies for sleep, is abnormally high during the daytime for SAD sufferers. Their body's internal clock is thrown out of balance because of the over secretion of Melatonin at the wrong time. Light therapy helps to reset the clock's internal timing, including the daily rhythms of body temperature and sleep patterns by delaying the release of the hormone secretion. In addition, the light may help to intensify the day to night difference, which is part of the therapeutic response. Since the purpose of light therapy is to mimic bright light similar to outdoor daylight, this therapeutic response is noticed in a relatively short period of time, but when the lights are not being used the symptoms generally return. Therefore,

The Benefits of Using Light Therapy to Treat Seasonal Affective Disorder



by Lorraine Dauphine

most people maintain a consistent daily regimen of exposure to get the most benefits from the therapy. This prevents them from falling backward into a slump.

The method by which light therapy is introduced involves a box containing a set of full spectrum fluorescent bulbs that produce a bright outdoor light with a diffusing screen for deflecting the rays. The system can be placed on a table or desk where patients can sit close to the box for maximum benefit. People can then perform various activities in front of the lights, provided they position their head and body toward the lights, but not looking directly at the lights. Depending on the individual's equipment

and requirements, treatment sessions can vary from fifteen minutes to three hours, the higher the lux illumination of a system, such as 10,000 lux versus 2,500 lux, the less time an individual needs to spend in front of the

box. Because individual needs differ, some patients learn how to tailor their own timing to get the desired therapeutic effect, both for duration of exposure and the time of day that the system is in use.

Research shows that there are few side effects to the treatments other than occasional headaches, eye-strain, eye-irritation or nausea at the start of the light therapy treatments. Generally though, these mild reactions subside soon after the commencement of therapy. On rare occasions, patients have experienced an overactive state due to eye irritation in which they become restless, have difficulty sleeping and get the feeling of being high. These individuals require the assistance of an experienced clinician to help them alleviate these symptoms by regulating the light therapy treatment, such as sitting farther away or shortening the duration of operation. A tilted light box design can alleviate the reported sensations of visual glare that occur from the short-wave-length blue light, which is a factor of bright light therapy. These sensations can be eliminated by using specially developed eyeglass lenses, which do not change the required lux levels for therapy. Due to reports of eye irritation, studies recommend that patients with retinal pathology, such as glaucoma and cataracts should avoid using this type of treatment protocol.

In the end, SAD patients should keep in mind these points in order to promote stability and recovery, in addition to the use of light therapy:

1. Patients should become well educated about the condition.
2. Understand the triggers that lead to SAD. Have a plan ready to implement if the symptoms worsen.

3. Regardless whether a patient is beginning to feel well again, it's important to stay the course with the treatment plan.
4. Physical activity and exercise helps to keep SAD at bay. Any kind of physical activity that keeps a patient moving and engaged is beneficial.
5. Avoid stimulants, alcohol and illicit drugs. They only make matters worse in the long run.
6. Adequate sleep is especially important because it gives the body a chance to recover and heal.
7. A healthy diet provides the nutrients that are beneficial for recovery. Patients should choose more proteins along with Omega 3 and reduce simple carbohydrates, like bread, rice and pasta.

By being vigilant, proactive and incorporating light therapy in managing SAD, sufferers can become more empowered and make it through the dark and gloomy days of fall and winter. They can take comfort in the knowledge that spring and summer is just around the corner. ◀

Warning signs include excessive sleep, mood swings, depression, suicidal thoughts, anxiety, feelings of hopelessness, loss of motivation, social withdrawal, less interest with family and friends.

Major Tax Changes That Could Affect How Much You Pay or Get Refunded This Year

America's tax filing deadline is around the corner, below is a recap of some major tax changes that take effect this year, please remember to consult a specialist if any of these changes affect you. Below is a recap of the major tax changes that occurred this year, some of which may end up saving you money.

Make sure you click the right box this year.

There are a few exceptions and restrictions when it comes to same-sex couples filing a married return and amending prior year returns. First, this ruling is not applicable to couples who are in a registered domestic partnership, civil union, or other formal relationships. It must be a legal marriage in a state that recognized the marriage at the time it occurred. Second, you can only amend tax returns and file for a refund claim either three years from the date of which you last filed a return or two years from the date your last tax was paid. Whichever occurred later becomes your statute of limitations for filing. This allows some individuals to potentially claim refunds for 2010, 2011, and 2012.²

More information about the process of amending returns and filing for tax reclaim can be found on the IRS's website.

Minimum Filing Requirements

The minimum filing requirements change each year to keep up with inflation and the increase on certain exemptions and deductions. If your gross income is under a certain amount you could be exempt from filing a tax return for the 2013 tax year. Each minimum filing requirement has increased from anywhere from \$100 to \$1,850.³ Consult the table below to find out if you have to file a return this year. Make sure to check an updated table each year to see if your income level drops below the minimum filing amount for your filing status.

Limitations on Certain Deductions

When filing a personal income tax return for yourself or with your spouse you have two options in which to claim your deductions. First is to claim your standardized deduction that is given to you based on your filing status and the second is to itemize your deductions for the year. Nearly one out of every three taxpayers choose to itemize their deductions.⁴ Typically this is a more attractive option if the taxpayer has large uninsured medical bills, pays mortgage interest and real estate taxes, makes large amounts of charitable contributions throughout the year, has a high amount unreimbursed expenses as an employee, or had uninsured goods damaged in a casualty loss (fire, flood, etc...).

by Lisa Meiklejohn

This article does not constitute financial advice and should not be taken as such. Consumers' Research urges you to obtain professional advice before proceeding with any financial decisions.

Filing Status	At the end of 2013 you were...	Only file if your gross income was ABOVE...
Single	Under 65	\$10,000
	65 or older	\$11,500
Married Filing Jointly	Under 65 (both spouses)	\$20,000
	65 or older (one spouse)	\$21,200
	65 or older (both spouses)	\$22,400
Married Filing Separately	Any age	\$3,900
Head of Household	Under 65	\$12,850
	65 or older	\$14,350
Qualifying widow(er) with dependent child	Under 65	\$16,100
	65 or older	\$17,300

IRS: 2013 Filing Requirements for Most Taxpayers

The general rule of thumb is to take whichever deduction is higher as it will lower your taxable income the most. This year individuals who are accustomed to claiming their individual itemized deductions might find that their income level will start to cause some of their deductions to be reduced. Starting this year line items for taxes paid, interest paid, gifts to charity, job expenses, and other miscellaneous deductions will be subjected to a limit.

This limitation will apply to you if your adjusted gross income is more than \$300,000 MFJ or qualifying widower, \$275,000 if you are Head of Household, \$250,000 if single, or 150,000 if MFS. This will require taxpayers who fall into those categories to fill out an itemized deduction worksheet to see how much they can claim with these new limitation. For a quick calculation you can limit your total itemized deduction by:

- 80% of you itemized deductions subjected to the limitation requirement or
- 3% of the amount your AGI exceeds the limitation requirement for your filing status

If you are accustomed to itemizing, you might find yourself switching over to taking a standard deduction for this upcoming year and future years.

Personal Exemption Phase Out

Personal exemptions have typically been a constant for individuals to claim on their personal tax returns. This year may be different for individuals who earn income above a certain threshold. Exemptions will begin to phase out and be altogether eliminated once a certain dollar amount for your AGI has been attained.

Below is a chart detailing when the phase out will begin.

Filing Status	AGI Level which reduced exemption amount
Married filing jointly	\$250,000
Married filing separately	\$125,000
Single	\$200,000
Head of household (with qualifying person)	\$200,000
Qualifying widow(er) w/ dependent child	\$250,000

source: IRS net investment chart

If your AGI level exceeds the amount in the chart for your filing status you will be required to fill out Worksheet 3-2 for determining the deduction for exemptions. To figure do the math quickly to find you exemption amount you need to reduce your exemption by 2% for every \$2,500 your income exceeds the amount specified in the chart (or \$1,250 for MFS). Once you exceed your adjusted gross income amount by more than \$122,500 or \$61,250 for MFS then your exemption is reduced to zero for this coming year.³

This year the exemption amount has increased from \$3,800 to \$3,900, so you may be paying more tax than you anticipated if you did not factor this phase-out exemption rule into your tax planning. Remember this rule not only applies to the \$3,900 you claim for yourself, but can be phase-out for any dependent you claim as well.

Same-Sex Married Couples

Earlier this year the U.S. Department of the Treasury and the Internal Revenue Service (IRS) ruled that same-sex couples who were legally married, in a jurisdiction

the recognizes same-sex couples, will now be treated as married when filing a federal tax return.¹ Couples who fall into this category may find that they will now be receiving a marriage penalty or marriage benefit depending on if filing a married filing jointly (MFJ) or married filing separately (MFS) return increases or decreases their overall tax liability.

If filing a joint return is beneficial and helps save money this year and taxpayers would have saved money in previous years, then the government is allowing individuals to amend past returns to get a refund. However, amending prior year's tax returns is not required. If filing a return as a married couple results in a marriage penalty then it would not be in your best interest to amend prior year returns.

Net Investment Income Tax

Before understanding this tax, it is first important to understand what income is classified as net investment income. This type of income is earned during the year through investing activities that is considered a passive activity (it is not your every day job). To get your net investment income you are allowed to deduct any expenses that were directly related to you generating the investment income or capital gain. These expenses will help limit the amount you are taxed on your investment income.

It is important to note what is not considered investment income. If you are retiring or investing in a retirement plan, rest assured that investment income will not apply to you. Net investment income will not apply to any distributions from a qualified retirement plan such as 401(a), 403(a), 403(b), 408, 408A, or 457(b) plans.

This year a 3.8% tax will be applied to investment income on certain individuals, estates, and trusts that have income above a certain threshold. Effective on January 1st of 2013 meaning it has not affected income you filed on any of your past returns, but it could be different for you this year.

The following chart details the threshold amount you must surpass before this new tax will apply to you.

Just keep in mind that this tax only applies to the amount that exceeds the threshold specified in the chart, not any income up until that threshold. Five different changes have been discussed, but there are other tax changes that may affect you when you file your return this year. Additional changes include another tax on Medicare of .9%, a limitation on flexible spending arrangement, a simplified home office deduction calculation method, change to standard mileage rate, and a few others. Laws and regulations are constantly changing and being amended and it is our job to know these changes and how they affect us.

Filing Status	Threshold Amount
Married filing jointly	\$250,000
Married filing seperately	\$125,000
Single	\$200,000
Head of household (with qualifying person)	\$200,000
Qualifying widow(er) w/ depen- dent child	\$250,000

source: IRS net investment chart

If you have questions you can research tax changes on the IRS website or contact an accounting office close to you to learn more about your taxes and how they might be affected. ◀

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The Great Solar Net Metering Controversy

Ruth Ann Monti

Back in the last decade, when solar power was regarded as a kind of eccentricity affordable to wealthy people with green sensibilities, utility companies across the nation agreed a pretty sweet deal for these folks. They would allow meters to run backward for solar customers who produced more energy than they used, and to buy back any excess energy they created in the form of solar credits.

It seemed like a good idea at the time. Not many homeowners or businesses had embraced solar, generally because it was still an expensive undertaking. Solar panels were still quite expensive, and government tax breaks and local rebates didn't make much of a dent into the overall cost of installing solar panels. Going solar was more of a statement about one's dedication to the environment and renewable energy.

This practice, called net metering, also provided a fairly painless way for utilities to paint the picture showing them as supportive of new and renewable energy sources. You might remember the TV ads many ran stressing their dedication to this ideal.

Is Net Metering Unfair to Utilities and Non-Solar Customers?

Net metering, is now used in 43 states, where most solar credits are equal to the local retail price for electricity. Utilities, however, pay wholesale prices to other energy suppliers and resent paying retail for what has become a larger piece of their purchasing pies.

Many local utilities—particularly those that are investor-owned—are asking state legislatures to allow them to lower the credits to match the wholesale prices, or to require solar customers to pay for their connection to the power grid.

“We don't care where or who we buy power from,” Ted Carver, chairman and CEO of Edison International, which owns Southern California Edison, told CNBC. “It should be purchased at the wholesale price.” Everyone, he states, should pay “a fair price for what they use.”¹

Carver also points out that not everyone is in a position to install solar panels. People who live in apartments can't decide to install them. His concern, he says, is to avoid a two-tier system in which non-solar users pay more for their power.

But two-tier systems are nothing new or unique in many areas of commerce: healthcare (even with Obamacare), and public schools come to mind. It's hard not to conclude that the rapid growth in solar power is a threat to utilities because more people are buying into it. A report from the Center for American Progress says middle-class homeowners are now leading the market to convert to solar power. In 2011 and 2012, the three states with the highest solar conversion—California, Arizona, and New Jersey—saw most activity in middle-class areas with median incomes under \$50,000.²

And what is a fair price to use that energy grid? It's what state utility commissions decide it is.

The Solar Debate in Arizona

APS, a major utility in Arizona, ran a campaign in 2013 that pitted traditional power customers against solar users, who were portrayed as power grid freeloaders. Solar energy is great, the actors in the ad said, but why are we subsidizing solar users on that same energy grid?

In November, the Arizona Corporation Commission, which reviews and approves increases in utility costs, decided utilities could charge a 70-cent per kilowatt fee on rooftop solar installation projects beginning January 2014. APS began charging a \$5 per month maximum fee on its solar customers who install new systems. It had initially asked for monthly fees as high as \$100.

Arizona Corporation Commission chair Bob Stump and Commission member Susan Bitter Smith told The Arizona Republic in January that the Commission held a “very spirited debate” and set a framework for what the conversation focus: “what problem are you trying to solve?”³ The decision for a far more modest fee than APS requested came down to considering two key points:

1. There was a cost shift due to the growth of solar power into the marketplace

2. There is a value in using the energy grid

Smith pointed out that consumer energy consumption is already the lowest it's been in Arizona for a decade. Why that is can be due to many factors, including increased adoption of energy efficient practices as well as solar's presence in the marketplace. The important thing is to support consumer choice and that means supporting more energy sources for them to choose from.

The Solar Industry's Role

Some observers want the solar industry, which obviously opposed the fee increase, to acknowledge some "inconvenient truths" spelled out in an Arizona Capitol Times opinion piece by Gary Yaquinto, president and CEO of the Arizona Investment Council. Much of the industry's growth is due to unrecovered costs and subsidies available to solar adopters. "The total cost [about \$1,000 per unit] picked up by other customers represents real money and is growing exponentially," Yaquinto wrote, citing 18,000 solar users in APS' service area.⁴

But with the end of solar subsidies from the federal government—which provided \$21,000 in up-front incentives—and the presence of solar fees on utility bills, it's "virtually certain" that the industry will slow down, says Mark Holohan, board president of the Arizona Solar Energy Industries Association. "We are down from our boom. Incentives are gone," he told the Phoenix Business Journal.⁵

"If I were a business in Arizona...I probably wouldn't be over ambitious with my hiring," agrees Andrea Leucke, president and executive director of The Solar Foundation. The Foundation is currently working on a report that will provide some insights from various sectors within the solar industry about future of solar in Arizona.

The industry is lobbying for programs that support water, energy, and solar projects like PACE (Property Assessed Clean Energy Program) which operates in 31 states. A bill introduced in the current Legislative session would provide PACE incentives including up to 20 years in property tax relief to solar adopters.

If new incentives are given to consumers that benefit the solar industry, you can bet that similar discussions around the nation about who's subsidizing whom on the grid will continue, and whether consumers should be continue to be rewarded for investing in a less polluting, renewable energy source. ◀

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Turn Spring Cleaning into Cash

Use eBay, Craigslist, and Facebook to fill your pockets

Joseph Colangelo

It's that time of the year again. Spring is just around the corner and with the changing of seasons comes the yearly ritual of spring-cleaning. A fresh new start after a brutal winter puts many people in the mood to clear some of the clutter acquired from the previous year.

Not only is spring cleaning therapeutic, it is also a great way to turn clutter into cash. With the advent of the internet, never again will last year's accumulation of 'stuff' be just a pile of forgotten treasures on their way to the dump. Now with a little effort and time, last year's junk can become this year's cash.

eBay

Of all the ways to turn clutter into cash, eBay is the best. When it comes to selling online, eBay is hard to beat. With an uncomplicated selling platform and easy to use setup process, eBay has rightfully earned its place as the top of online selling resource. In addition, by using eBay as a selling platform - there is an added benefit of reaching millions of eBay users. With such a large audience, there is a much greater chance of reaching that one person who can't live without that 'thing' collecting dust on the shelf.

With eBay's long retail history, it often helps you find listings which describe either the item you are selling or one similar. This data will help the consumer get a better idea of what prices their items have fetched prior to listing.

Craigslist

Another option for turning clutter to cash is Craigslist. The advantages are that consumers don't typically have to ship items to purchasers and can instead meet in person. Like anything done online, caution is the key. When selling an item on Craigslist, practice the 'safety first' mentality and there will be nothing to worry about. With a cautious approach, selling on Craigslist can be a lucrative option to clear clutter and add to spring cleaning cash.

Following the following rules will help you avoid 99% of scams on Craigslist:

- Deal locally with people you can meet in person
- Never wire funds via any wire service - anyone who asks you to do so is likely a scammer.
- Fake cashiers checks and money orders are common and a bank will hold you responsible when the fake is discovered weeks later.
- Never give out financial or personal information such as your bank account number, social security number, eBay/PayPal info, etc.
- Avoid deals involving shipping or escrow services and know that only a scammer will "guarantee" your transaction.

Facebook Groups

A relatively new concept to online selling is the use of Facebook groups. Maybe your town has a facebook "swap meet" group of some kind (or maybe you can start one). Everything from local yard sale groups to special interest groups fill Facebook with a whole new crop of potential buyers. One major benefit of using a local Facebook trading / selling group is that shipping costs and online selling fees are not an issue. The seller generally has the ability to list and sell an item free of charge. This works great for larger items and items not suitable for shipping.

While eBay, Craigslist and Facebook are only three of the many options available to earn money while clearing clutter, they are three of the top. Selling items online has earned relatively inexperienced sellers billions of dollars over the past few years and continues to do so every day. If turning clutter into cash is a simple matter of taking a few minutes to snap a photo and enter a description online, it is a no-brainer. Spring cleaning just became spring cash. ◀

How would you like to Pay?

Payment Platforms for the Modern World.

Joseph Colangelo

"How would you like to pay?" Perhaps you could swipe your card to purchase a coffee, or if you are in a rush you could simply tap your card, or NFC enabled cell phone next to a contactless reader with the vendor, and you're good to go. Perhaps you could use your cell phone to take a photograph of an old digital camera that you no longer need, and use the very same phone to open your eBay app, which links to your PayPal account, upload the photos of your camera and sell it online to a buyer from, or to almost any location in the world.

Transferring your funds today is instantaneous, and at the touch of a button. It is now possible to make payments across the world in real-time, without the hassle of clearing, paper invoices, etc. With multiple payment methods available, buying and selling has never been easier. It is fair to say that the e-commerce activities of the banking industry have been inspired by the third party payment platforms of the last fifteen years. They are playing a game of catch-up with the pioneers of e-commerce; replicating some of their online services.

However, things were not always this easy.

Before e-commerce, there was commerce: Certified checks, cashier's checks, bills of exchange, and promissory notes. Depending on the type of transaction involved, a transaction could take days to process by a clearinghouse. Writing out a check was a practical way to guarantee a payment without the need to carry copious sums of cash around, but delays were inevitable. Having to wait in lunchtime queues at the bank, or the post office for making, or receiving payments also created some downtime.

"Swipe cards"—credit cards, debit cards, and customer loyalty or rewards cards—really helped to speed things up, but from the seller's perspective, it was necessary to have a merchant account. This type of account was not always a viable option for the private hobbyist seller, or the small start-up business proprietor. Some potential merchants were unable to obtain merchant account due to high fees or a poor credit rating. In those cases, cash was king—as were checks.

Today the consumer has at their disposal dozens of web-based payment processing methods. Fifteen years on, and PayPal now has competition

from similar providers—even the banking industry itself is keeping up with the times.

Why might the use of a third-party payment provider be suitable for you, and what will these providers be offering in additional services for 2014, and beyond?

PayPal

When eBay acquired PayPal in 2002, PayPal were able to gain a massive advantage by being able to acquire a mass market of online businesses, and individuals looking to buy and sell through eBay. By 2009, PayPal had begun offering a Peer-to-Peer (P2P) payments service. This helped individuals to pay each other online.

The basic PayPal cost structure is to charge businesses 2.9% of the value of a sale, and \$0.30 cents per sale, a cross-border fee of 1%, and a chargeback fee of \$15 to cover costs passed on by banks, and credit industry of its customers. These fees may not be a viable option for some, and others may just prefer a cheaper alternative.

Dwolla

In 2008, Iowa based Dwolla entered the market, around ten years after PayPal. Dwolla operates in stark contrast to PayPal, and on a smaller scale. It prides itself on the fact that it does not charge percentages, or fees for transactions, but a mere charge of 25 cents per transaction. Either the sender of money or the receiver can opt to cover this small fee. This is possible by having an in-house network, instead of a reliance on what is arguably the near obsolete technology of credit cards, and the fee structure that comes with it.

This service became a viable payment method during the recession for small businesses, freelancers, Non-profits, and others who could not afford to factor unnecessary fees into their budgets, and is still popular to this day.

Venmo

In 2012, Venmo launched a phone app that could allow anyone to personally make, or receive payments free via Venmo, but only if a credit card is not used (3% charge). Their current app rating on Google Play (the Android equivalent of Apple's App Store) is 4.5 out of five, which shows just how popular it is in the Android marketplace. It works by keying in your debit card details to the app to make P2P payments, and your bank details to receive payments. This is very useful if you need to pay a friend, or to pay for essential personal payments: such as rent, for example. It works as a secure proxy service for your bank, and card.

How some of the largest third-party payment options compare:

		Venmo	Paypal	Dwolla
App. Avail.		AppStore/Google Play/Blackberry (US Only)	AppStore/Google Play/ Windows Phone	AppStore/Google Play/ Windows Phone
Online Sales	Aff. Merchants	n/a	eBay	Storefront
	Buying (US)	n/a	Free	Free
	Selling (US)	n/a	2.9% + .30 per sale, "or less"	Free, but standard charge of \$.25 per sale over \$10
	Discounts	n/a	Down to 2.2% based on volume	Free, but standard charge of \$.25 per sale over \$10
	Int. Sales	n/a	3.9% per transaction, plus currency conversion fee	n/a
P2P/Transfers	US bank	Free	Free	Free
	Int. bank	n/a	.5% to 2% fee bank/PayPal	Free
	Credit	3% (paid by sender)	3.4% to 3.9% credit or debit (Int.)	Free
	Debit	Free	3.4% to 3.9% credit or debit (Int.)	Free
	Receiving	Free	Free	Free, but standard charge of \$.25 per transaction over \$10
Additional Services			<ul style="list-style-type: none"> • PayPal Here (2.7% (When swiping a card) 3.5% + \$0.15 for manually entered transactions.) • PayPal API 	<ul style="list-style-type: none"> • Auto-Withdrawal and Mass Pay. • Free Hub Page API link to accept Dwolla.

The Future

What does the future hold for Peer-to-peer, and merchandising in 2014 and beyond? Will consumers take to the idea of NFC (Near Field Communication), or will they still prefer the good old-fashioned swipe card of yesteryear?

One thing is for sure, old habits do die hard, and perhaps we may have the, "if it ain't broke, don't fix it" mentality—especially when it comes to the ways that we deal with money matters.

Coin, a new company based in San Francisco is capitalizing on this mentality by using the existing swipe card infrastructure, and adapting it. The new company is promoting a card that has the technology built in to hold the details of multiple credit and debit cards, and even gifts cards, which can be selected by pressing a single button on the card itself. The card uses a '...dynamic stripe...' along with '...Bluetooth low energy...' in order to synchronize the cards with the coin card. The initial set-up requires an app and a connection that would go into the audio port of your phone, which looks quite similar to the Square device. This allows the user to swipe their cards onto the same Coin card, as demonstrated by their commercial: (<http://www.youtube.com/watch?v=w9Sx34swEGo>) NFC, the ecommerce choice of Android, and Apple IOS compatible iBeacon who use Bluetooth low energy technology connected with Apple devices are currently in competition for dominance of the high street of the near future.

With many countries in Western Europe already moving to the next generation of swipe cards, card providers in the US will soon look to push card technology forward. As we have seen with Target and other security breaches, the magnetic strip on

a card is an unsafe payment method, which leaves people open to theft and fraud. In Europe, chip-and-pin technology on cards have helped to reduce such instances.

In the UK, Barclays Bank has launched a mobile banking app that works just like Venmo. Once your details are set up on the app, you can do a whole range of things that you would normally do in a bank: setting up payees, transferring funds, and paying anyone else with a bank account -- even if they do not have the app. Contactless cards that use NFC technology are becoming common place across Europe, and Visa has installed "PayWave" terminals across America, which will help to save time. For any transaction under \$25, the customer can touch the reader to pay, and go.

As payment technologies continue to advance consumers may find themselves paying with biometric data such as a palm or retina scan. The line between merchant and consumer may also become less defined as person to person payment systems blur the line between vendors and customers. ◀

Sticker Shock

Tesla ban in New Jersey only hurts the consumer

Joseph Colangelo

It's not even April, but New Jersey has already played its citizens for fools. By Committee edict, New Jersey has said April 1st is the deadline by which Tesla showrooms in New Jersey must stop selling their cars directly to consumers. New Jersey's action will directly increase costs and reduce choice available to consumers while protecting the profits of NJ auto dealers. James Appleton, president of New Jersey's dealer association said the statue "is on the books to protect consumers" while admitting, "Tesla's business model crushes competition."

Every time an automobile changes hands on the way to the final purchaser at the dealer, another layer of margin is added to the costs that consumers eventually pay. Dealerships add an estimated \$2,225 to the cost of a new car sold for \$26,000. Buying a car in a dealership is also one of the least favorite American pastimes, with 60% of Americans saying they "hate the car buying experience." Despite this, efforts to streamline the auto distribution process have so far not been successful.

This prohibition of direct sales can be traced to the automobile's infancy. To finance their growth, auto manufacturers offered dealerships territory in perpetuity so long as dealers agreed to purchase a certain number of cars per year. These arrangements eventually gave automobile dealers enough clout within their state's political system to pass self-serving laws such as the relevant portions of New Jersey's PL 1989.

The new NJ statute is based on the supposed acknowledgement that "inequality of bargaining power continues to exist between motor vehicle franchisors (manufacturers) and motor vehicle franchisees (dealers). This inequality of bargaining power exists even as to motor vehicle franchisees who have had their franchises for many years and who have expended large sums of money in the promotion of their franchises."

Basically, the dealers argue they have simply invested too much and employ too many people (2,000 in New Jersey) to be permitted to fail. What dealers are really arguing, however, is that they need laws to guarantee them as much money as possible whether or not their business can withstand competition. In the case of Tesla, the direct to consumer sales were competing with NJ dealers.

Tesla is not alone. Businesses that disrupt established markets have always engendered strong reactions from those making money in the status quo. Taxi commissions across the United States have recently sought bans against more efficient solutions to on-demand transportation, such as Uber and Lyft. The taxi commissions' claims are the same as the NJ dealers: regulations are synonymous with consumer protection, and "unregulated" newcomers are not in consumers' best interests.

In the case of Uber and Lyft, attempts to prohibit their operations in Washington D.C. were met with loud public opposition by the many customers who had, after many years, found a reliable trip to the airport. The groundswell in favor of Tesla may be more muted, as there are fewer would-be Tesla purchasers than there are taxi riders. However, those folks who lack sympathy for people able to fork over \$70,000 for an automobile would be wise to consider their own potential savings were they given the opportunity to purchase their next new car directly from the manufacturer.

The ability for an interest group to lobby on their members' behalves is an important part of our democracy. Everyone should expect that the dealers association would make this argument; dealers have an instinct for self-preservation like anybody else. What's unacceptable is that the New Jersey Motor Vehicle Commission has acted as their agents instead of in the public interest. In a free market, people make money by providing a valuable service to the public and a "business model that crushes competition" should be the business model that wins. If Tesla's electric cars are safe, (the National Highway Traffic Safety Administration gave the Tesla Model S the highest safety rating it has ever given any automobile) there is no more efficient a system for protecting consumer choice than letting consumers decide from whom they want to purchase these automobiles. ◀

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The Price of your Privacy

What to take away from the Kickstarter breach.

Tammy Valentine

I have many friends who are oblivious to the fact that nothing is free these days. What I mean by that, is when the public is enticed to receive a free magazine subscription, vacation, or even membership to a health club, it is costing them a piece of their privacy by the mere fact that their personal information is added to a database. This data collecting has become the norm these days. Most people don't realize how little privacy they have online, until there is a large scale security breach, and they realize how vulnerable their personal data is.

The most recent breach at Kickstarter has once again brought the issue of online privacy to the forefront. On February 12, the crowdfunding website became a victim of a security breach when hackers gained access and stole some of their customers' data. Kickstarter affirms that no credit card data was accessed by hackers, and no evidence of unauthorized activity on all but two Kickstarter user accounts has occurred.

Although no credit card data was accessed, private information about their customers has been obtained such as usernames, email addresses, mailing addresses, phone numbers, and encrypted passwords. Kickstarter is sending notification letters to all customers confirming that the breach is closed and measures have been taken to strengthen their security.

Technology is an essential part of our lives these days; however, we must use it responsibly in order to protect our important personal information. People are intimately aware of the dangers of leaving their car doors or homes unlocked, but there seems to be a false sense of security when giving out personal information over the web. I am always shocked at the tremendous amount of personal information people post on Facebook. Equally shocking is the amount of home break-ins authorities have traced back to information found on their homepages. Predators view posted vacation dates as an invitation to burglarize an empty home. Law enforcement personnel say if you want to post vacation pictures, make sure you do so after you have returned home, and be sure to state you are no longer out of town.

When connecting through a mobile device, home broadband or any other Internet connection, consumers must be aware of the dangers of information breaches. By taking into consideration how they currently protect themselves online, and applying some of the following best practices, consumers can help to ensure their privacy stays secure:

- Virus and anti spyware protection. Computer viruses are often disguised as a picture, screen saver or even a Web link. Some spyware programs track everything you do online and send this information to an unauthorized user. Antivirus and spyware protection programs on your computer will scan and monitor it before any damage occurs.
- Never respond to e-mails or pop-ups asking for personal data or passwords. Use filtering software to block unwanted e-mail and reduce the likelihood of receiving viruses and spyware from unknown senders. Pop-up and ad-blocking features allow you to control the amount and type of pop-ups you receive, or block them completely.
- Don't use links in e-mails or on other sites. Internet scammers use fake company e-mails and web sites to "Phish" for consumers' financial information and password data.
- Use a strong password for all devices and accounts. Use combinations of letters, numbers, upper and lower case characters, and symbols in your passwords. Change passwords frequently and never use the most common password 123456.
- Ensure the web site is secure before sending financial or personal data. Secure sites will often show a "lock" icon or an "s" after the "http" ("https://"). If these are not present, the site is probably not secure and you should carefully consider whether to send personal or financial data over the site.

The internet can be an effective means of communicating, but it is important to remember that your data is not private. My friend became intimately aware of this when leaving for a trip at her local airport, she was amazed to see her Facebook profile picture and comment flashing on a digital advertisement board. To her surprise, a comment she posted about enjoying a brand of carbonated beverage, had become an unpaid endorsement for the makers of that product. ◀

Guess What's Escaping Your Attic

by Ruth Ann Monti

Many consumers get shell-shocked by their electric and/or gas bills during the worst of the summer and winter months. It's not unusual to see lots of people in hardware stores during these months studying insulation materials. While it's a great idea to put weather stripping around doors and windows, it turns out that the attic—the least-used part of the house—is driving up those bills.

Attic Air Leaks Pad Energy Bills

According to [Energystar.gov](http://energystar.gov), air leaks from your attic could be adding as much as 10% to your energy bill.¹ With proper air sealing and insulation, you can reduce your natural gas heating bill by up to half.²

Consider scheduling a home energy audit. Although it may sound overblown, these audits point out other areas you may not have recognized are making your home vulnerable. And some states allow you to deduct the cost of a home energy audit from your tax bill.

Seal, Then Insulate

Air sealing should be done before installing insulation. If you aren't using an energy auditor, walk around your attic and identify where there are air leaks. Be careful not to disturb any vermiculite insulation—this is an older pea-sized, flaky grey insulation material that may contain asbestos. For this reason, be sure to wear a dust mask during your inspection.

Sealant products include silicone or latex caulk applied with a caulking gun, and spray foam insulation for larger gaps. If you are reasonably handy, you can try to seal those air leaks yourself, although the market for sealing and insulation services is pretty competitive. Be sure to check out the safety and product guide published at [Energystar.gov](http://energystar.gov) before taking on this project.

Once you have sealed the air leaks, it's time to add insulation. Here, you have a few choices. Insulation is rated by R-values, which measure the ability to prevent heat from traveling through it. Higher R-values provide better thermal performance. Don't be tempted to go for the highest R-value since

different values perform better in different parts of the country.

Professional insulation is blown into an attic through a thick hose. If you intend to do your own insulation, you can purchase and manually install the materials yourself. Insulation is made from a variety of natural and man-made materials, including fiberglass, manufactured wool products, plastics, and natural fibers like cotton and sheeps' wool. Be sure to wear a mask and gloves and follow the same safety precautions for insulating as for air sealing.

Other Benefits of Sealing and Insulating

In addition to lower energy bills and potential energy tax credits or rebates (depending on where you live), sealing and insulating your attic also gives your home an extra layer of protection from moisture and supports proper ventilation.

Sealing air leaks keeps the attic dry, preventing water leaks, rot, and mold. It also promotes stable attic ventilation and temperature. In cold weather, this helps roofs stay cold and prevents ice dams. In warm weather, it keeps hot air from entering the attic, which triggers longer periods of air conditioning running to force it back out. ◀

Sources:

1. "Seal and Insulate with ENERGY STAR." [Energystar.gov](http://www.energystar.gov/index.cfm?c=home_sealing.hm_improvement_seal_insulate). Web. <http://www.energystar.gov/index.cfm?c=home_sealing.hm_improvement_seal_insulate>
2. Mickey Goodman, "Read This Before You Insulate Your Attic." [This Old House](http://www.thisoldhouse.com/toh/photos/0,,20645175,00.html), 2012. Web. <<http://www.thisoldhouse.com/toh/photos/0,,20645175,00.html>>

Full Throttle

Gas prices start to rise as Spring approaches

Joseph Colangelo

Gasoline prices have risen steadily in the three weeks prior to February 28th. There was an uptick in gas prices all but one of the past 20 days, and gas is nearly as expensive today than at any point the past six months.

A number of factors affect the cost of gasoline in various states. The cost of transportation factors in to the final cost, as does local refining capacity and tax rates.

Cost Factors

Many states import oil from abroad. Refineries along the West Coast and Northeast generally buy higher priced Brent crude oil from overseas. Eventually, these higher prices are passed on to the consumer, who ends up paying more at the pump.

Taxes often affect the price of gasoline as well. Of the 10 states with the nation's highest gas prices, all but two levy among the 10 highest gas taxes. Residents in California, New York, Connecticut and Hawaii pay the most in both gas prices and gas taxes. California charges drivers more than 52 cents per gallon in state taxes alone.

Also, the time of year can have a strong effect on the price of gasoline. "Strong winter storms and weak demand have helped to keep gas prices less expensive this winter, but many drivers recently have noticed that it is starting to cost more to full up," said

Most expensive	State	Gas Price	Tax per gallon	Tax as percent of gas price
10	Pennsylvania	\$3.64	\$0.42	11%
9	Maine	\$3.64	\$0.30	8%
8	Indiana	\$3.66	\$0.39	11%
7	Michigan	\$3.72	\$0.39	11%
6	Illinois	\$3.76	\$0.39	10%
5	Connecticut	\$3.77	\$0.49	13%
4	New York	\$3.78	\$0.50	13%
3	Alaska	\$3.84	\$0.12	3%
2	California	\$3.97	\$0.53	13%
1	Hawaii	\$4.17	\$0.49	12%

AAA data for the week of February 28th

Avery Ash, AAA spokesman. "We are entering the worst time of year for visiting the gas station as prices rise primarily due to seasonal refinery maintenance."

Chart: Below find a chart of the following:

- The cost of gasoline at the pump in the 10 states with the most expensive gasoline according to AAA data from the week of February 28th
- Gasoline taxes per gallon in those states
- The percentage of tax paid as a percentage of cost of gallon

Ways to Save:

There are three ways to save on gasoline: drive less, drive more efficiently, buy lower priced gasoline.

The simplest way to spend less money on gasoline as we enter the summer driving months is to purchase less gasoline. All other factors remaining constant this means driving fewer miles. Whether that means planning vacations closer to home or using alternative means of transportation such as a bicycle or mass transit to get around locally, consumers can easily track their gas spending with apps that give you weekly (or daily) updates on your spending trends such as Mint.com or Personal Capital.

Getting rid of an old car based purely on fuel mileage can be an impractical decision. However, if you are already committed to purchasing a new car to replace one that no longer works then consumer fuel economy can be an important factor to consider in your car-buying decision. For cars with high fuel efficiency and low cost consumers can instantly realize savings with fewer trips to the pump. The savings realized in gasoline consumption is minimal compared to the cost of not using a functioning car with higher gas mileage.

The third way to save on gasoline that we recommend is by spending less money on the same amount of gas you already consumer. Apps like Gasbuddy help consumers find the lowest-priced gasoline near them and can mean savings of dollars a week for a person driving for an hour a day. Alternative savings sites include gift card resellers that allow purchase of gasoline retailer brand name gift cards for below face value. These include a site called Plasticjungle.com or Granny Gift Card Exchange.

Combining these three features with other sensible saving techniques such as keeping your engine in a high gear and a low rpm, generally around 55-60 mph for most automobiles. As the spring leads into the summer driving system experts expect prices to rise. Consumers should be prepared to spend more at the pump or work now to avoid having to do so. ◀