



# Consumer News & Views

THE OFFICIAL MONTHLY NEWSLETTER OF THE AMERICAN CONSUMER COUNCIL



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## Consumer Confidence Slightly Increased in February

The Conference Board Consumer Confidence Index® increased by 2.2 points in February to 91.2 (1985=100), from an upwardly revised 89.0 in January.

Confidence ticked up in February after falling in January, as consumers' pessimistic expectations for the future eased somewhat.

- Four of five components of the Index firmed. Nonetheless, the measure remained well below the four-year peak achieved in November 2024.
- Perceptions of employment conditions improved slightly.
- Confidence on a six-month moving average basis ticked upward in February for consumers under age 35, which continued to be the most optimistic group.
- Comments about prices, inflation, and the cost of goods remained at the top of consumer's minds.
- Consumers' average and median 12-month inflation expectations were little changed but remained elevated.
- Consumers' plans to buy big-ticket items over the next six months rose in February.

**The Present Situation Index**—based on consumers' assessment of current business and labor market conditions—decreased by 1.8 points to 120.0 in February.

**The Expectations Index**—based on consumers' short-term outlook for income, business, and labor market conditions—rose by 4.8 points to 72.0. The cutoff for preliminary results was February 17, 2026.

## *Artificial Intelligence Literacy--Forgo using chatbot to think for you*



The first session of a new artificial intelligence class this month for high school seniors in Newark involved purely human intelligence.

The students' assignment: to compare when they had passively scrolled through AI-driven social media feeds with times when they had actively selected the videos or Google search results they wanted to see.

"Are you steering the technology or is it steering you?" asked a slide on the classroom whiteboard at Washington Park High School.

In a class discussion that followed, a student named Adrian Farrell, 18, said he had taken charge of AI by asking a chatbot to check his math homework for accuracy. Brianna Perez, 18, said she went into "passenger mode" when using a Spotify feature called AI DJ.

"It plays your favorite music so you don't have to change it," she said.

Schools across the United States are hustling to introduce a new subject: AI literacy.

In what some educators are calling a "driver's license" for AI, the new lessons aim to teach students how to examine the latest tech tools and use them responsibly. Teachers say they want to prepare young people to navigate a world increasingly shaped by AI, as chatbots manufacture human-sounding writing and employers use algorithms to help vet job candidates.

Some schools are focused on AI chatbots, teaching students how to prompt Google's Gemini or Microsoft's Copilot. Some are introducing AI as a new class topic, with lessons examining societal consequences like the spread of AI-generated nude images, known as deepfakes.

AI lessons are becoming more common in schools as a debate has exploded over whether chatbots are likely to improve — or doom — education. Proponents say schools must quickly teach young people to use AI to assist their learning, prepare them for jobs and help the United States compete with China. Last year, President Donald Trump issued an executive order urging schools to teach "foundational AI literacy" starting in kindergarten.

Education researchers warn that chatbots can make stuff up, enable cheating and erode critical thinking. A recent study from Cambridge University Press & Assessment and Microsoft Research found that students who took notes on text passages had better reading comprehension than students who got help from chatbots.

For now, "the risks of utilizing AI in education overshadow its benefits," the Brookings Institution concluded last month in a report on school AI use.

Amid the debate, schools such as Washington Park High are staking out a middle ground by treating AI as if it were a car and helping students develop rules for the road. Mike Taubman, 45, a career explorations teacher who co-developed the school's new literacy course, compared the class to preparing teenagers for their driver's license exam.



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“Where do you want to go, and can AI help you get there?” Taubman asked. Students needed to learn to drive AI tools, analyze what’s under the hood, develop guidelines for personal use and design ideal safety policies, he said.

“What do I think the laws, the rules, the norms should be around AI for my city, my country?” he added.

Washington Park, a four-story building with a red brick facade in downtown Newark, serves about 900 high school students. It is part of Uncommon Schools, a charter school network in the Northeast focused on college and career preparation.

Taubman and Scott Kern, a U.S. history teacher, came up with the idea for the new elective class on AI. Both had already introduced AI tools and topics in their regular courses.

Kern, 45, recently participated in a program at Playlab, a nonprofit that helps teachers create customized AI apps for their courses. To help his students hone their argumentative writing, Kern developed chatbots for his U.S. history classes based on his course materials and student assessments.

He also developed firm guidelines for students on when to use – and when not to use – AI bots.

On a recent Tuesday, Kern taught an Advanced Placement U.S. History class on the Chicago Race Riot, violent protests set off by the murder of a Black teenager in 1919. First, he asked students to read century-old newspaper clippings and other historical documents. Then, he led a class discussion on broader trends that had helped fuel the tensions.

Next, Kern asked students to spend a few minutes describing the main cause of the riot to a chatbot he had created for the class. Allyson Johnson, 17, opened her laptop and typed in her answer: entrenched racial segregation.

“Let me push you on this,” the chatbot responded. Segregation had existed for decades before 1919. So what specific factors, the bot asked, had caused a tense situation to suddenly escalate “into explosive violence”?

Johnson said she enjoyed sparring with the AI because “the chatbot asked me different questions that pushed my argument even more.” After a few minutes, Kern told students that their time with the chatbot was up and resumed the class discussion. Fundamental student learning should remain an AI-free activity, he said.

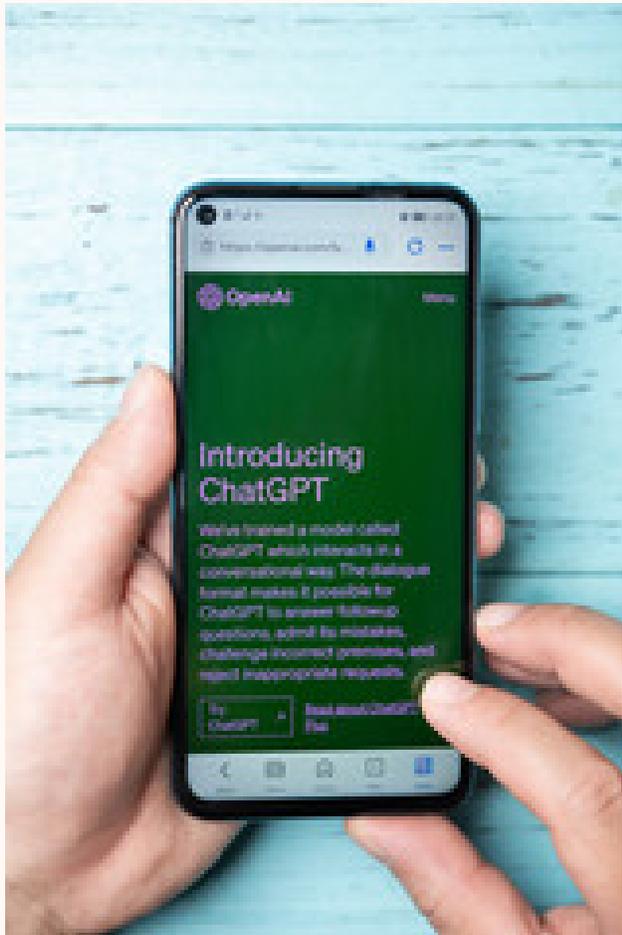
“Anytime where we want kids interacting with each other or doing initial critical thinking, I would never want AI or any sort of technology of that ilk to come in and interfere with that,” Kern said.

In another part of the school, Taubman was leading a career explorations course. He has developed a variety of career simulation chatbots for the class. One enables students interested in fields like speech pathology to create and learn about virtual patients with detailed medical histories.

Aniya Gervais, 17, is interested in becoming a mental health nurse practitioner. For a class project, she wanted to create a hypothetical nonprofit for teenagers with mental health issues. But after discussing her plan with one of Taubman’s class AI bots, she concluded her initial idea was too broad. So she narrowed the project to focus on teenagers struggling with both depression and substance abuse.



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Gervais said she often used ChatGPT for tasks like coming up with pasta recipes or planning fitness routines.

“Before, I was telling AI what to do, and it was just telling me what to do,” Gervais said. “But now,” she said of Taubman’s classroom chatbots, “I’m asking the AI questions that will help me get to the answer.”

This semester, Kern and Taubman decided to join forces to formalize their AI education methods in an elective class. Eighteen students signed up. During the first class this month, students learned about how some film directors had started using AI to generate movie scenes. Should humans still get credit for that?

As long as people directed the video-generating bots, some students said, they would consider humans to be a film’s authors. Other students argued that tech giants had trained AI on decades of artists’ work, potentially amounting to intellectual property theft.

Kern and Taubman acknowledged that their driver’s license metaphor had limits. Until chatbots have built-in safeguards akin to seat belts and air bags, it will be difficult for students to make truly informed decisions about the risks of powerful AI systems.

Kern said he hoped that students would one day “have influence to build these tools in a way that’s better and more equitable and more environmentally friendly than what exists now.” Perez, a senior taking the new course, said she already felt empowered learning about AI’s uses and risks. The school hopes to offer the AI literacy class soon to all 12th graders.

“If it wasn’t for courses like this that are being implemented, we could really go into our future like not knowing what’s coming,” Perez said.



# *Unexpected Force of Global Warming Discovered by Accidental Scientist*



Scientist Veerabhadran Ramanathan yearned for the American dream while growing up in southern India in the 1960s: specifically, a Chevrolet Impala, a muscle car he learned about from his father, a tire salesman. Ramanathan made it to the United States in his 20s, but he never bought his gas guzzler, largely because his scientific knowledge of global warming quickly eclipsed his income.

Fast-forward to the 1970s and Ramanathan, now a newly minted postdoctoral fellow in planetary sciences, was spending his days working as a visiting researcher at NASA Langley Research Center in Hampton, Virginia, and his evenings on a side project he hid from his supervisors. His solitary nighttime research would end up changing how scientists viewed global warming.

The young scientist had discovered that chlorofluorocarbons, or CFCs, then widely used in the manufacture of refrigerators, air-conditioning units and spray cans, had a significant greenhouse effect. Ramanathan had briefly encountered these industrial chemicals in his first job at a refrigeration company.

Like carbon dioxide, CFCs trapped heat in the atmosphere. In fact, Ramanathan's calculations suggested, they were more potent: One molecule of a CFC could have the same warming effect as up to 10,000 molecules of carbon dioxide. For three months, he repeated the calculations looking for an alternative explanation. He found none.

"I was just a postdoc immigrant from India. I didn't know if I should tell NASA about this or not. I just sent the paper off," Ramanathan recalled.

The journal *Science* published the findings, and his work made the front page of *The New York Times* in 1975. The idea that CFCs could potentially be such a powerful force in global warming was also met with disbelief, not in the least from Ramanathan himself, who embarked on the project purely out of curiosity at a time when climate change was not a pressing concern.

Ultimately, Ramanathan established the now widely accepted fact that greenhouse gases other than CO<sub>2</sub> are a major contributor to global warming, vitally important knowledge that underpinned the first successful climate mitigation policy.

The Royal Swedish Academy of Sciences on Thursday awarded Ramanathan, a distinguished research professor at the Scripps Institution of Oceanography at UC San Diego, the prestigious Crafoord Prize, which for some winners has been a harbinger of a Nobel Prize.

"He has expanded our view of how humankind is affecting the atmosphere's composition, the climate and air quality and how these three interact," said Ilona Riipinen, professor of atmospheric sciences at Stockholm University in Sweden and member of the committee that awarded the prize, which is worth 8 million Swedish krona (around \$900,000).

## **Accidental climate scientist**

Ramanathan, who studied engineering in Bengaluru, India, before moving to the United States, said his career's first breakthrough was a result of several happy "accidents" that allowed him to connect the dots between different fields of study.

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After graduating with a bachelor's degree in engineering, he had spent an unhappy stint working at a refrigerator company making sure that the cooling agent — CFCs — did not leak. When he was 26, he moved to the United States and embarked on a doctoral degree at the State University of New York at Stony Brook in an engineering-related field.

Ramanathan, however, found his supervisor had unexpectedly switched focus, and his dissertation ended up detailing the greenhouse effect in the atmosphere of Venus. Then, while working at NASA Langley, he encountered the work of scientists Mario Molina and Frank Rowland. Their research showed CFCs depleted ozone, a natural atmospheric gas that protects humans from cancer-causing radiation. (The duo later won the Nobel Prize in 1995.) Not until the 1980s did CFCs broadly become a matter of public concern.

Before his 1975 investigation, Ramanathan said he wasn't the least bit worried about climate change. However, as he and others expanded the list of trace gases, such as methane and nitrous oxide, that contributed to the greenhouse effect, Ramanathan became deeply concerned that global warming would manifest much earlier than prevailing thinking at the time. A paper he coauthored in 1985 concluded that trace gases were potentially as important as CO<sub>2</sub> for long-term global warming.

"That made a big impact. The whole climate community sort of woke up and said, 'Wait a minute. Global warming is going to come twice as fast as we thought. It's not going to be your children's problem. It's your problem now,'" said Spencer Weart, a historian of science and author of the book "The Discovery of Global Warming." He is a former director of the Center for History of Physics of the American Institute of Physics. "It's great for Ramanathan to get some of the attention he deserves," he added. Ramanathan and others argued that CFCs' potential for global warming gave reason to restrict production.

The 1987 Montreal Protocol did eventually ban the use of CFCs, although largely because of intensified scientific and public concern over their health impact after the 1985 discovery of a hole in the ozone layer.

Without that ban, the world could have seen additional warming of up to 1 degree Celsius (1.8 degree Fahrenheit), according to a 2021 study in the journal *Nature*.

The greenhouse effect of CFCs and trace gases was only part of the puzzle. In his long career, Ramanathan has deployed satellites, balloons, drones and ships to directly study Earth's atmosphere, confirming with direct observations what climate models had only suggested.

His key findings include showing for the first time that clouds have a cooling effect on the planet and understanding how water vapor can amplify the warming effects of carbon dioxide. He also led a project that observed and measured a 3-kilometer (about 2-mile) thick cloud of air pollution that covered much of the Indian subcontinent. His work on atmospheric brown clouds revealed that air pollution had masked some of the effects of global warming, a complicated dynamic that scientists are still untangling today.

Ramanathan became a council member of the Pontifical Academy of Sciences in 2012, advising three consecutive popes on climate change policy, an experience he said made him consider not just the science but also the ethical implications of the climate crisis, which he emphasized will disproportionately affect the poor.

"His quiet but effective way of communication has been key to involving both the research community and decision makers," said Örjan Gustafsson, a professor of biogeochemistry at Stockholm University and member of the Pontifical Academy of Sciences who has worked with Ramanathan.

"With an eye for the most vulnerable on our planet and an ear for younger researchers, he has inspired an entire generation of climate scientists." Ramanathan, now 81, drives a Tesla Model Y (although a red model of a Chevy Impala adorns his mantelpiece) and has converted his California home to solar power but gave up walking and taking the bus to work because, he said, it took too long.

He noted that he rarely counsels individual action to combat the climate crisis. Instead, Ramanathan encourages the young people he encounters to "stand up and elect the right politicians" and spread the word "using data-based, not junk, science."

# Top Medications That Increase the Risk of Dementia



As we strive to maintain our health and well-being, it's important to understand how different medications can affect our long-term cognitive function. Many commonly prescribed and over-the-counter drugs offer effective treatment for specific conditions but may also raise your risk of dementia later in life. Researchers continue to focus on this critical connection, and staying informed helps you have more productive conversations with your healthcare provider.

The following guide offers a detailed overview of several classes of medications that research links to a higher risk of dementia. You will find what these drugs treat, the evidence connecting them to cognitive decline, and what these findings mean for you. By sharing this knowledge, we aim to help you partner with your doctor and make proactive choices for your health.

## Understanding the Link: Anticholinergic Drugs

Many of the medications discussed here fall under the category of anticholinergics. These drugs block acetylcholine, a key neurotransmitter that supports memory, learning, and muscle function. By interfering with acetylcholine, anticholinergic drugs can cause short-term side effects like confusion, blurred vision, and memory loss. More concerning, people who use these medications long-term face a greater risk of developing dementia.

A landmark study published in *JAMA Internal Medicine* tracked nearly 3,500 individuals aged 65 and older for over seven years. The researchers found that people who used strong anticholinergic medications more frequently had a significantly higher risk of dementia. Let's examine some of these specific medications.

### Diphenhydramine (Benadryl)

#### What It Treats:

Diphenhydramine, a first-generation antihistamine, has a widespread presence in over-the-counter products such as Benadryl for allergies, Tylenol PM, ZzzQuil for sleep, and Dramamine for motion sickness. People rely on it to address allergic reactions, cold symptoms like sneezing and runny nose, and insomnia.

#### How It Might Increase Dementia Risk:

Diphenhydramine, a potent anticholinergic, crosses the blood-brain barrier and directly impacts cognitive function. By blocking acetylcholine receptors in the brain, it produces immediate effects like drowsiness and confusion. Ongoing, long-term use can change the brain's structure and function in lasting ways. The cumulative effect of blocking acetylcholine may speed up the pathways that lead to dementia and Alzheimer's disease. Since the medication is easy to access without a prescription, the risk of unintentional overuse is especially high.

### Amitriptyline

#### What It Treats:

Amitriptyline, a tricyclic antidepressant (TCA), once served as a primary option for depression. Today, doctors more often prescribe it in lower doses for nerve pain (neuropathy), fibromyalgia, migraine prevention, and insomnia.

#### How It Might Increase Dementia Risk:

Amitriptyline has strong anticholinergic effects. Like diphenhydramine, it interferes with acetylcholine in the brain, disrupting memory consolidation and other cognitive processes. The same mechanism that relieves pain and promotes sleep also harms cognition. Research on antidepressants indicates that older tricyclics like amitriptyline create greater dementia risk compared to newer SSRIs, such as Prozac and Zoloft, which lack significant anticholinergic activity.

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**CONTINUED****Oxybutynin (Ditropan) and Tolterodine (Detrol)****What They Treat:**

Doctors prescribe oxybutynin and tolterodine for overactive bladder (OAB), a condition marked by frequent and urgent needs to urinate. These medications relax bladder muscles and help reduce urgency and frequency.

**How They Might Increase Dementia Risk:**

These drugs exhibit strong anticholinergic properties as they block acetylcholine's effect on the bladder. Because they are not fully selective for only bladder receptors, they also affect the brain. The JAMA Internal Medicine study specifically linked high-dose bladder antimuscarinics, including oxybutynin, to nearly a 50% increase in dementia risk. In recent years, safer alternatives with lower anticholinergic effects have become available for OAB management.

**Benzodiazepines: A Class of Concern**

Doctors often prescribe benzodiazepines for anxiety, insomnia, panic attacks, and seizures. These drugs enhance the effect of GABA, a neurotransmitter that lowers brain activity to produce a calming effect. Although benzodiazepines can effectively treat certain symptoms in the short term, researchers continue to investigate their long-term consequences for cognitive health.

**Alprazolam (Xanax), Lorazepam (Ativan), and Diazepam (Valium)****What They Treat:**

- Alprazolam (Xanax): Used for anxiety and panic disorders, especially acute panic attacks due to fast action.
- Lorazepam (Ativan): Manages anxiety, insomnia, and occasionally prepares patients for surgery by reducing anxiety.
- Diazepam (Valium): Treats anxiety, muscle spasms, and seizures through longer-lasting effects.

**How They Might Increase Dementia Risk:**

Several large-scale studies establish a connection between long-term benzodiazepine use and dementia. For example, the British Medical Journal followed 1,700 people with Alzheimer's disease and found that individuals who took benzodiazepines for three months or more had up to a 51% higher risk of developing dementia.

Experts have proposed multiple explanations for this association. Prolonged benzodiazepine use may impair cognitive function, and this impairment does not always reverse after discontinuation. Additionally, the sedative effects can reduce activity levels, another risk factor for dementia. Sometimes, clinicians prescribe benzodiazepines for early dementia symptoms, such as anxiety and sleep difficulties, which complicates determining whether the drug or the underlying condition leads to cognitive decline. Healthcare providers widely recommend using benzodiazepines for the shortest duration possible.

**Proton Pump Inhibitors (PPIs)**

Proton pump inhibitors figure among the most frequently prescribed drugs worldwide, intended to lower stomach acid for conditions like acid reflux, GERD, and ulcers.

**Omeprazole (Prilosec) and Esomeprazole (Nexium)****What They Treat:**

Both medications, available over-the-counter and by prescription, block stomach acid-producing enzymes and provide relief from heartburn and esophagitis caused by reflux.

**How They Might Increase Dementia Risk:**

Discoveries around PPIs and dementia risk remain relatively new and somewhat inconsistent. One notable German study noted a 44% higher dementia risk among regular PPI users compared to non-users. Researchers theorize that PPIs may interfere with the body's ability to break down amyloid proteins in the brain—a process crucial in preventing Alzheimer's disease.

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Another theory proposes that PPIs inhibit proper vitamin B12 absorption by reducing stomach acid, resulting in deficiency. Low vitamin B12 levels can mimic or intensify dementia-like symptoms. While the research remains inconclusive, these concerns highlight the importance of avoiding unnecessary long-term PPI use.

**Corticosteroids**

Corticosteroids, also known as “steroids,” deliver strong anti-inflammatory effects by mimicking cortisol, a hormone that the adrenal glands naturally produce.

**Prednisone and Hydrocortisone****What They Treat:**

Doctors use corticosteroids to treat widespread inflammation in conditions such as rheumatoid arthritis, lupus, severe allergies, asthma, or skin irritations like eczema. You might take prednisone orally, while hydrocortisone usually comes as a topical cream.

**How They Might Increase Dementia Risk:**

Corticosteroids can alter the brain’s structure and function, particularly in the hippocampus, a region that manages memory. Prolonged exposure to high cortisol levels, whether through chronic stress or steroid use, may shrink the hippocampus and impair function.

A Dutch study published in *BMJ Open* tracked thousands of people and found changes in brain white matter and reduced brain volume among systemic steroid users. While these medications can save lives, years of regular use may make the brain more susceptible to cognitive decline. Risks rise especially with long-term, systemic administration as opposed to short-term or topical application.

**Antipsychotics**

Doctors mainly prescribe antipsychotics to treat schizophrenia and other forms of psychosis. Some also use them off-label for managing behavioral symptoms, such as agitation or aggression, in people with dementia.

**Haloperidol and Risperidone****What They Treat:**

- Haloperidol: Addresses psychotic disorders, tics, and vocal outbursts (for example, in Tourette’s syndrome).
- Risperidone: Used for schizophrenia, bipolar disorder, and irritability in autism.

**How They Might Increase Dementia Risk:**

Prescribing antipsychotics to older adults poses special risks, especially for those living with dementia. The FDA places a “black box” warning on these medications, as they can increase mortality among seniors with dementia-related psychosis.

Moreover, substantial evidence shows that antipsychotics speed up cognitive decline. They block dopamine receptors and, like anticholinergics, disrupt brain functions associated with memory and learning. A large Finnish study found that dementia patients taking antipsychotics experienced cognitive decline more rapidly than those who did not use these drugs. Based on this risk, doctors urge using antipsychotics cautiously and only as a last resort for behavioral symptoms in dementia.

**Opioids**

Opioid painkillers provide powerful relief for severe pain but carry a high risk of addiction, side effects, and cognitive complications.

**Morphine and Hydrocodone****What They Treat:**

- Morphine: Relieves severe pain, frequently after surgery or in advanced cancer care.
- Hydrocodone: Appears in pain relievers like Vicodin and Norco to help with moderate to severe pain.

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**CONTINUED****How They Might Increase Dementia Risk:**

Opioids can cause acute confusion and delirium, and chronic use may harm the brain through several mechanisms. Long-term opioid use can decrease oxygen supply to the brain (hypoxia), which damages neurons. Additionally, findings suggest that opioids trigger inflammation in the brain and weaken the blood-brain barrier—both associated with an increased risk of developing Alzheimer’s disease. At recent Alzheimer’s Association International Conferences, researchers highlighted the higher dementia risk in older adults using opioids chronically.

**Taking Control of Your Health: Next Steps**

Learning that you may face dementia risks from certain medications can be unsettling, especially if you rely on these drugs for chronic conditions. However, remember the distinction between association and causation—never stop any prescribed medication without first consulting your healthcare provider.



Use this information as a springboard to open conversations with your doctor. Practical steps include:

1. **Schedule a Medication Review:** Meet with your doctor or pharmacist to review all your medications, including over-the-counter products and supplements.
2. **Discuss Dementia Risks:** Share your concerns and ask about any medications with high anticholinergic effects or other dementia-related risks.
3. **Clarify the Reason for Each Drug:** Make sure you know why you take every medication. Ask if you still need a treatment or if your condition has changed.
4. **Ask About Alternatives:** Inquire about safer therapies. For instance, try newer, non-anticholinergic antihistamines for allergies, or consider physical therapy instead of painkillers when possible.
5. **Aim for the Lowest Effective Dose:** If you need to continue a medication, work with your doctor to use the smallest effective dose for the shortest duration possible.

Think of your health as a lifelong partnership between you and your medical team. By staying informed and taking an active role, you help safeguard both your physical and cognitive well-being for years ahead.

# How to Avoid Triggering an Audit from the IRS



Tax season 2026 is in full swing. It's imperative to get all your documents in order and submitted on time and to the appropriate IRS filing centers.

However, you must ensure that the documents are drafted properly. You can land in hot water should you make a mistake. The IRS is notorious for conducting audits, whether on personal taxes or business taxes, when they suspect irregularities with your tax returns.

A number of people, who were flagged by the IRS for an audit, told us the same old story. "We never thought they'd audit us!"

Despite the fact the IRS audits a very small percentage of individual tax returns, generally less than 0.5% annually, which equates to roughly 1 in 300-500 returns, if your return appears out of the normal parameters, the IRS will likely flag your return for a review and possible audit. In recent years, overall audit rates have hovered around 0.2% to 0.4%, with higher-income earners and complex business returns being the most audited.

## Here are the top 5 ways to avoid an IRS audit:

### What is an IRS Audit?

An IRS audit is a financial examination of an individual's or a business's financial records, accounts, and bookkeeping methods. The audit ensures the information you have provided to the IRS is accurately reflected and reported on your tax return. While the IRS typically only audits

The information must be correct according to federal tax laws. If the IRS believes an error or suspicious financial activity is occurring, it will likely trigger an investigation by the IRS and a thorough review of the documents, records, and information you have provided. Such a review could be costly and time consuming for you not to mention any penalties and fines you are assessed.

### Top IRS Audit Triggers

If you are looking to avoid an IRS audit, it's imperative you understand what the IRS is looking for. The more prepared you are, the less chance you have of being flagged for a review or audit.

Here are the top IRS audit triggers to look out for:

#### Missing Income

If your taxes are automatically withheld from your paycheck, your employer must report your earnings and withheld taxes to the IRS. However, non-wage income is not taxed in the same manner since it is not withheld. This includes the following types of non-wage income:

- Business income
- Capital gains
- Interest
- Rental income
- Dividends
- Royalties
- And more

The aforementioned are more susceptible to discrepancies. The IRS looks for any such discrepancies that can quickly trigger an audit.

#### Changes in Income

If you experience large swings in income, this can trigger an IRS audit. People whose income fluctuates significantly from year to year may be on the IRS's radar. This can include those who own their own business or who are self-employed.

Large changes in income from one tax year to the next can signal a red flag. The IRS is very good at tracking those who are not reporting or under-reporting their income.

#### Business Losses

If you're just starting a business, you know how difficult it can be to generate a profit. According to Yahoo! Finance, it may take a few years, if not longer, to make your business profitable.

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If you claim business losses for multiple years in a row, this will catch the attention of the IRS. If the loss is substantial for three or more years after the business has started, the IRS may want you to explain why you are not yet profitable.

**Suspicious Deductions**

Deductions are a normal part of taxes—especially in business. However, the IRS will scrutinize certain deductions based on your income source, your job, and your past filings.

Be mindful of the following deductions:

**Charitable Deductions** – Charitable deductions that are more than the average amount of donation can alert the IRS. Deductions are capped at 60% of the adjusted gross income (AGI) for cash donations, and 30% for stocks and additional property.

**Passive losses on rental properties** – If the amount to run a rental property is more than the rental income it brings in, you cannot claim a loss unless the following is met:

- You own 10% of the property or more, you are managing the property, and your modified AGI is less than \$100,000, or
- You are a real estate professional and are active in managing the property.

**Unqualified Home-Office Deductions** – If you are self-employed and work from home, you can deduct home office expenses. However, if you work from home as a regular employee, you do not qualify for this deduction.

**Undervalued Assets**

Undervalued assets generate estate returns that trigger the IRS. They are looking to see if the estate's assets are valued too low to save money.

It is imperative to be honest regarding the value of the assets. Hire highly qualified appraisers to appraise the assets to keep the IRS at bay.

**Bottom Line**

When you file taxes – and be sure to file on time even if you cannot provide all the documents necessary so you avoid penalties and late fees, be sure to do it the proper way. Do not cut corners or look for the easy way out. It just doesn't pay to under-report your income because the IRS has multiple tools at its disposal to ensure your numbers add up. There's no benefit in the long run for undervaluing your assets or taking deductions that only raise suspicion.

Play it safe and be honest. This is the best way to avoid an IRS review or audit. An IRS audit will wreak havoc on your peace of mind, and it could financially hurt you and your business. Finally, keep your information organized and accurate. These suggestions are the best way to avoid an IRS audit.



## *Daylight Saving Time – Do we really need it?*



To some Americans, changing clocks for Daylight Saving Time, and when it ends, feels like an antiquated practice that doesn't serve any real benefit – just a bother.

"It will be dark when we wake up, it will be dark when we go home," said another local naysayer.

According to Gallup poll data on [news.gallup.com](https://news.gallup.com), the majority of Americans – 54% – say they're ready to do away with daylight saving time, while 40% say they're in favor (6% remain uncertain).

Studies show that shifting the clock twice a year can disrupt sleep cycles and affect physical and mental well-being.

So why do we still do it?

### **The downfall on daylight saving time**

Benjamin Franklin reportedly first floated the idea in 1784 to prolong the life of candles. But it ultimately began in Germany during World War I to conserve coal, with the U.S. following suit in 1918. The practice returned during World War II and eventually became law under the Uniform Time Act of 1966, which standardized the start and end dates nationwide.

The reasoning was simple: save energy by extending daylight into evening hours, meaning people would use less artificial light. But in an age of energy-efficient lighting and flexible work schedules, that argument has lost its power.

### **The cons, and why people want it gone**

The health effects are where daylight saving time loses its glow. According to an article on [msn.com](https://www.msn.com), a study by Stanford scientists found that the changing of clocks coincides with an increase in heart attacks, strokes and traffic accidents – attributing the results to the disruption in circadian rhythm.

The research reinforced previous studies with similar findings. It ultimately claimed that eradicating daylight saving time could potentially prevent 300,000 strokes annually and reduce obesity rates by 2.6 million cases nationwide.

Mental health can also take a hit. Research shows depressive symptoms spike after the fall time change, when shorter daylight hours contribute to Seasonal Affective Disorder (SAD) – a type of depression affecting millions of Americans that aligns with a recurrent seasonal pattern.

### **A history of back-and-forth**

This isn't the first time America has questioned the practice. In 1974, amid an energy crisis, President Richard Nixon signed a bill to make daylight saving time permanent. The experiment lasted just eight months before public backlash forced a return to standard time.

In March 2022, the U.S. Senate unanimously passed the Sunshine Protection Act, a bill that would make daylight saving time permanent nationwide – but ultimately it stalled in the House of Representatives. In December 2024, President Donald Trump said he planned to eliminate daylight saving time, but nothing has been formally approved at this point.

More than a dozen other state legislatures have voted to keep the clocks untouched year round, pending Congressional approval – including Florida, California, South Carolina, Washington, Colorado, Tennessee and Maine.

### **What's next?**

Until we see movement in Congress on the issue, Americans continue to change their clocks. But with growing awareness around mental health, work-life balance and the importance of rest, the conversation around daylight saving time is more relevant than ever. For now – anyway – remember to set your clock back one hour this Sunday, Nov. 2.

## Welcome one of our credit union partners!

As a nonprofit consumer education organization, ACC has developed partnerships with credit unions across the country. These partnerships allow ACC members eligibility with our credit unions. If approved, our members gain access to a member-owned financial institution, with products and services designed to make banking more affordable, simple and convenient, and to offer additional resources that can help our members identify and achieve their financial dreams.

Fortera Credit Union  
2050 Lowes Dr,  
Clarksville, TN 37040  
+++



Where money thrives and people do too.  
For You.

A great experience starts with giving you more choices and more control. You'll find financial solutions that meet you where you are ... and help you get where you want to go.

For Real.

Our products were designed with real people in mind. We take meeting your needs personally, because, well, we're real people too.

Credit Union membership is available to anyone who lives, works, worships, or attends school in one of our service regions; by joining an affiliated partner; or if one of your immediate family members is a Fortera member. Our service regions include Montgomery, Stewart, Chester, Decatur, Lewis, McNairy, and Perry counties in Tennessee or Christian, Trigg, Todd, McLean, and Webster counties in Kentucky. Residents of other counties in Tennessee, Kentucky, Alabama and Arkansas may also be eligible. Do. Better. Together.

At Fortera, our purpose is clear - we empower each other to create life changing impact. Our tagline champions the action we take each day to:

DO right by those we serve.

BETTER the well-being of our members, team members and communities.

Succeed TOGETHER.

Where money thrives and people do too.

As a not-for-profit financial cooperative, Fortera's focus will always be on serving people, not shareholder profit. Simply put, we value members over numbers. That means we're able to return profits back to you in the form of benefits like:

- Higher dividends on savings accounts
- Lower interest rates on loans
- Lower (if any fees) on products and services

Our approachable, casual nature lacks the stuffiness of traditional banking. We have a reputation for finding a way to help people achieve their goals in the face of financial obstacles. With so many important decisions to make, we think it's nice being able to get insight from people you can relate to and trust.

The credit union difference.

Credit unions are financial cooperatives, meaning that we are owned and operated by you, as a member. The credit union movement began in difficult economic times when local groups of people decided to pool their money together and provide each other with loans to help their communities grow and prosper.

Decades later, credit unions are still democratically governed by their members and still operate under the shared mission of people helping people. When you place your money into a local credit union, your money stays within your community. It could end up helping your neighbor buy a home or a local entrepreneur start a new business. Click the buttons below to meet our Board and CEO or to view our Annual Report.

For more information, visit our website at [www.forteracu.com](http://www.forteracu.com) or call us toll-free at (800) 821-5891.

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ABNB Federal Credit Union  
701 Eden Way North  
Chesapeake, VA 23320  
+++



**You'll Find Real Life Financial Solutions At ABNB**  
The credit union began as ComFive Federal Credit Union in 1960 with 8 members and \$40 in deposits. Today, we're ABNB Federal Credit Union, a full-service financial location celebrating over 60 years of serving members. Headquartered in the Greater Hampton Roads, Virginia and Northeastern North Carolina region including the Outer Banks, we provide personal and business banking services to our members regionally and across the country through online/mobile banking, a nationwide network of shared branching credit union service centers, and surcharge-free ATMs.

Membership has its advantages because everything we do at the credit union is done with the success and financial health of our members in mind. We feature higher rates on deposits, lower rates and affordable terms on loans, plus low/no fees which saves you money every day vs. the BIG banks.

Become a member of the ABNB family today and enjoy real life financial solutions that help you earn more and save more every day.

### **Our Vision Statement**

To be the most trusted lifetime financial partner in the communities we serve.

### **Our Mission Statement**

Providing financial services in a manner that improves our members' lives and benefits the communities we serve.

### **Our Value Statement**

Trust earned through integrity.

### **Rooted in the Community. Driven by Purpose.**

At ABNB Federal Credit Union, we believe in the power of people helping people. That's why we're deeply committed to supporting the communities we serve through volunteerism, partnerships, and meaningful contributions that make a real difference.

### **Our Commitment to Community**

From food drives and school supply donations to disaster relief and youth mentorship, ABNB is proud to stand beside our neighbors. Our team members regularly volunteer their time, and we partner with local nonprofits to amplify their missions.

ABNB is actively engaged in the community, so stay up to date on the latest news. We love attending local events, providing grant funding to local non-profits through the ABNB Community Foundation and internally promoting our employees to new positions within the organization. Keep informed about new product & services, the latest branch news and learn about our Board of Directors.

For more information, visit our website at [www.abnbfcu.org](http://www.abnbfcu.org) or call us toll-free at (800)443-1141.

# ATTENTION: CREDIT UNIONS

## Want more Small Business Members?

Gain a competitive edge over other financial institutions by offering more than just traditional financial services. The ACC-SBS Program can help your Business Members grow and expand.

### About ACC's Small Business Success (SBS) program

ACC's Small Business Success program offers your credit union a competitive edge over other financial institutions by providing valuable business education, tools, resources, and coaching to help your business members grow and succeed!

By integrating ACC's SBS program with your Business Development, Marketing and Lending initiatives, your credit union can enhance its appeal to small enterprises, expand its lending capabilities and build stronger loyalty. As small businesses succeed, your credit union benefits from increased membership and net asset growth.

**What  
Does  
the  
ACC  
Small  
Business  
Success  
Program  
Offer  
Your  
Credit  
Union?**

★ **Differentiate Your Credit Union**

Offer more than accounts – be the go-to resource for small business growth.

★ **Turn Accounts into Relationships**

Deepen loyalty with tools that drive business success and member engagement.

★ **Done-For-You Business Support**

Ready-made tools and resources that add value without extra work for your team.

★ **Grow Your Bottom Line**

Help businesses thrive – and watch deposits, lending, and retention grow.

★ **Be Their Business Partner**

Deliver real solutions that make your Credit Union essential to their success.



### Next Step...

Let ACC help your credit union transform how it connects with businesses and leverage those relationships for greater success!



Scan the QR code to watch a free, brief video that reveals how to attract more small business members to your credit union!

Contact us today!

858-533-7778 or email: [SmallBiz@AmericanConsumerCouncil.org](mailto:SmallBiz@AmericanConsumerCouncil.org)



Expanding growth through indirect home improvement lending in today's lending landscape, credit unions and banks face a familiar challenge: how to grow their loan portfolios and attract new members without dramatically increasing risk or operational burden. While many institutions lean on traditional channels like auto loans, mortgages, or credit cards, there is another multi-billion-dollar opportunity that has proven out for some but is still unknown to many: indirect home improvement lending.

For more than 14 years, HFS financial has pioneered a platform that connects financial institutions with qualified borrowers seeking to move forward with a home improvement project. Much like how real estate agents assist mortgage applicants, residential home improvement contractors have become the homeowners' conduit to financing options. If your institution isn't part of that conversation, you're missing the opportunity to serve a range of new and existing members, with a core focus on high-credit, high-income borrowers who are already seeking financing.

### **So what makes the HFS platform different?**

1. Embedded at the point of sale HFS partners with 20,000+ contractors nationwide. These contractors recommend financing options at the "kitchen table", when homeowners are ready to commit to a new roof, pool, deck, or addition. That means your institution is presented to borrowers you will never reach through traditional marketing or branch traffic.

2. High-quality borrowers the average borrower coming through the hfs platform has a credit score of 770+, a post funding DTI of just 31%, and fully verified monthly income of \$22,000+. These aren't risky profiles; they're creditworthy homeowners who are actively investing in their largest asset.

3. Verified & vetted applications every borrower is pre-verified through identity, income, bank account, and homeownership checks, along with a soft credit pull. They're also matched to your credit box before they ever touch your los or core, reducing wasted applications and keeping your underwriting pipeline clean and your operational costs down.

4. Flexible lending opportunities HFS supports two primary lending options: • "point-of-sale" home improvement (<\$30k): instant (or near-instant) loan offers averaging \$11,973, with terms up to 10 years. • "ucc-1" home improvement (>\$30k - \$250k): larger loans averaging \$71,300, with terms up to 20 years. Full doc poi, homeownership, and more. Whether your institution wants to originate directly, participate, or utilize forward-flow structures, the HFS model allows you to customize your involvement while earning strong yields.

5. Seamless integration unlike launching an entirely new lending product in-house, hfs provides a turnkey solution. We manage borrower interactions, document collection, and processing, so your team can focus on what it does best: underwriting and funding.

The result? Net yields far exceed any other program you are currently running with industry-leading loan performance over 14 years. That's a track record that speaks for itself, and one that positions indirect home improvement lending as one of the strongest growth opportunities available to financial institutions today.

As the lending environment evolves, the institutions that thrive will be the ones who embrace new channels of growth. Ai, digital tools, and new technologies will continue to shape the industry – but proven strategies like indirect lending are driving results now.

HFS Financial is here to help your institution capture that opportunity. Let's start the conversation. If you'd like to explore how indirect home improvement lending can support your institution's growth, reach out to Alex Edelman at [aedelman@hfsfin.com](mailto:aedelman@hfsfin.com).

# *How ACC is Helping Small Businesses Grow—And Why Credit Unions Are Perfect Partners*

Across America, small businesses are facing an uphill climb. They're navigating higher costs, shifting customer habits, and increasing competition—all while wearing every hat in the business. What they're not looking for? Another business checking account. And that's the opportunity. At the American Consumer Council (ACC), we believe small businesses are the backbone of our local economies. Their success fuels consumer confidence, community pride, and economic stability. But too often, they're overlooked, underserved, or treated like just another transaction. That's why we created the Small Business Success (SBS) initiative. It's a strategic program designed to help small businesses grow, and to position Credit Unions as the community champions that help make it happen.

## **The Problem: Looking and Sounding Like Everyone Else**

Walk into almost any financial institution today, and the business offerings sound nearly identical: checking, savings, credit cards, and maybe an SBA loan.

But business owners don't wake up excited about their deposit account. They care about growing revenue, keeping more profit, and making smarter decisions. The real differentiator isn't the product—it's the partnership.

Credit Unions have a unique advantage. They're Trusted. Local. Relationship-driven. But to truly stand out, they must go beyond transactions and step into the role of business ally. That's where SBS comes in.

**The Solution: A Branded, Done-For-You, Turnkey Business Growth Program That Builds Loyalty and Results**

SBS is a branded, done-for-you growth program that Credit Unions can offer directly to their small business members. It's practical, easy to launch, and creates instant community impact.

One of the most powerful features? A 12-week Group Business Coaching Program—offered entirely free to participating business members.

Recently, a forward-thinking Credit Union (which we'll keep anonymous for now) piloted this exact coaching program with 100 small business members. The results?

- Business owners learned how to cut costs, increase prices, and drive more leads—without spending more on marketing.
- 
- They received weekly coaching, worksheets, and video support to drive implementation.
- 
- The Credit Union delivered over \$149,000 in business value through the pilot—positioning themselves as more than a financial provider. They became a true growth partner.
- 

**And here's the kicker:** the CU's internal team didn't have to do the heavy lifting. The ACC/SBS team handled all onboarding, coaching, branding, and tracking—making the CU look like the hero, without extra workload.

## **Why This Matters**

Credit Unions are already rooted in the communities they serve. The SBS program simply amplifies that strength—giving them the tools to attract new business members, deepen relationships with existing ones, and differentiate from big banks and impersonal lenders.

Small business owners don't want more financial products. They want someone in their corner.

With SBS, Credit Unions get to step into that corner and say: "You don't have to grow alone. We've got you." (rough...??? Plan B??)

## **Let's Talk**

Want to explore how the SBS initiative could work at your Credit Union? We'd love to show you what's possible—and how easy it is to get started.

## **Contact:**

Tom Hinton, CEO

[Tom@americanconsumercouncil.org](mailto:Tom@americanconsumercouncil.org)

Mark Rosenberger

VP, Small Business Success

✉ [mark@americanconsumercouncil.org](mailto:mark@americanconsumercouncil.org)

☎ 858-231-4481

# ACC Wrap Up

THE OFFICIAL MONTHLY NEWSLETTER OF THE AMERICAN CONSUMER COUNCIL



## Green C Certification

If your company or organization would like to increase its credibility with consumers, you should consider applying for ACC's **"Green C" Certification**.

*Applications for the Spring cycle are being accepted through May 31, 2026.*

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

All applicants should review the criteria, then complete and submit their applications to ACC's Green Consumer Council for review, assessment and feedback. Program details and the Green C Certification criteria can be viewed online at [www.AmericanConsumerCouncil.org/education](http://www.AmericanConsumerCouncil.org/education).

For more information, call 1-800-544-0414 or visit ACC's website.

## Friend of the Consumer

Is your business consumer-friendly?

Does your business deserve greater recognition for its service to consumers?

If so, you should apply for the American Consumer Council's Friend of the Consumer Award.



Each year, ACC awards numerous "Friend of the Consumer" awards to deserving manufacturers, retailers, and other businesses that produce or sell products in the United States, and which meet or exceed federally mandated standards, and have "demonstrated a commitment to American consumers by providing products or services that foster consumer confidence and market acceptance."

To apply, complete the online application at: [www.americanconsumercouncil.org/awards.asp](http://www.americanconsumercouncil.org/awards.asp) and return it to ACC with the application fee.

Applicants will be notified within five days of receipt of their application. Thereafter, a panel of independent judges will review your application and make a formal recommendation within 20 days of your submission.



## Financial Education

ACC is pleased to have a partnership with Nicole Middendorf. Nicole is a money maven, a knowledge junkie, and a born coach. She is an entrepreneur who left Morgan Stanley in 2003 to run her own wealth management firm. Nicole is the author of five books, a world traveler, philanthropist, and an accomplished public speaker.

As a Wealth Advisor and Certified Divorce Financial Analyst with Prosperwell Financial, her main focus is to help people create wealth from the inside out. She is able to accomplish this through one-on-one client meetings, writing books, presenting at conferences, and appearing on TV, radio, and other media.

Nicole shares financial advice and a real-life perspective on saving, planning, and investing with audiences across the country. Her primary goal is to take complicated subjects and make them easy to understand. She works hard to empower her audience to make crucial and positive changes in their own lives. Nicole's books have received local and national press coverage, where she has become known for her thoughtful concise quotes, relaxed on-air presence, and articulate delivery.

ACC is committed to promoting and providing financial education to the public. Nicole Middendorf has collaborated with us to create a new 6-part video series that promotes financial literacy for youth. Check it out here: <https://qcashfinancial.com/are-we-failing-our-kids-in-financial-literacy/>

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