



Family Health Budget
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CONSUMER ACTION BACKGROUND INFORMATION

Consumer Action, a national nonprofit membership organization, provides consumer education and advocacy on a variety of issues. A pioneering organization that has served consumers since 1971, Consumer Action provides free, nonlegal advice and referrals relating to credit, banking, privacy, utilities, health care and insurance.

Kay Pachtner, a student activist and housewife, founded Consumer Action in 1971, when she organized a group of volunteers to respond to consumer complaints. Soon, complaints began to overwhelm Consumer Action's first hotline. While listening to individual problems, Pachtner believed she discovered the root of all the complaints: the strong taking advantage of the weak. Knowing consumer concerns had to be addressed, Pachtner and the group aggressively brought consumer issues to the public eye.

Consumer Action's first success occurred when the group aligned itself with a woman who had purchased a used Jaguar that was continually in need of repair. By setting up a picket line in front of San Francisco's posh British Motors, Consumer Action and its constituents forced the dealership to file a lawsuit preventing this very action. By winning this lawsuit, Consumer Action gained aggrieved consumers the right to strike against businesses.

Through surveys, protests and complaint handing, Consumer Action has continued to bring consumers' concerns out in the open. Believing in the organization's cause, many volunteers became full-time staff members, including Neil Gendel, who joined and helped run the organization full time in 1973.

In 1980, Ken McEldowney, one of the early staff members, returned to the organization as executive director. Under McEldowney's direction, Consumer Action began working in educational partnerships with corporations. Expertise in banking, finance and telecommunications gave the group the authority to bring consumer issues to Congress and federal agencies. With these advantages, McEldowney was able to elevate Consumer Action's focus and influence to a national level; he subsequently became the president of the umbrella organization The Consumer Federation of America.

More than three decades after its inception, Consumer Action continues to focus on individual complaints and uses that information to change the system through education, legislation and legal action. The organization continues to effect change through extensive educational partnerships with government agencies (e.g. HUD, the U.S. Department of the Treasury, Environmental Protection Agency, Federal Deposit Insurance Corporation and the Federal Reserve), major corporations (e.g. AT&T, Capital One, PacifiCare, Microsoft, MCI, Sprint, Verizon, Bank of America and American Express) and several community organizations.

These partnerships educate consumers of all walks of life through educational modules, community events and seminars, brochures in various languages, including Chinese, English, Korean, Spanish and Vietnamese, and free publications to consumers nationwide. Consumer Action distributes more than 2 million free publications a year and makes more than 250 multilingual publications easily accessible on their Web site, which receives more than 750,000 hits a month.

To help with this overall education and advocacy, the organization created a national network of 7,500 community-based organizations to provide support for the passage of pro-consumer legislation, advocate for access to financial and telephone services and educate people about consumer issues.

More information on Consumer Action can be found at <http://www.consumer-action.org>.