



NATIONAL FOUNDATION FOR
CREDIT COUNSELING

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make all the difference.*

NFCC PRESS RELEASE

For Immediate Release
December 1, 2009

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CONSUMERS ARE MORE CONCERNED OVER PAYING DOWN DEBT THAN HOLIDAY SPENDING

Survey Reveals That Extra Cash Would Go Toward Debt Repayment

Silver Spring, MD – An online poll conducted in November on the National Foundation for Credit Counseling's (NFCC) Web site, www.DebtAdvice.org, revealed that consumers are much more concerned about paying down their existing debt load than they are with spending on holiday purchases.

More than 8500 people, the highest number of respondents to any NFCC online poll, weighed in as follows:

If you had an extra \$500, would you

Pay down existing debt = **77%**

Put it in savings = 14%

Use it toward holiday expenses = 7%

Spend it on yourself = 2%

“The economic climate in which we live has apparently become very real to the American consumer. The above results strongly signal that consumers are no longer comfortable carrying debt. If there's a silver lining to the financial meltdown, it is that consumers are now becoming more engaged with their personal financial situation, and are doing something about it,” said Gail Cunningham, spokesperson for the NFCC.

The NFCC's October survey showed that 68 percent of consumers intend to pay for their holiday purchases with cash, again indicating that consumers are reluctant to charge. This is consistent with emerging data indicating a shift from credit cards to cash or debit cards. This shift can be attributed to consumer awareness, lack of access to credit due to lowered credit lines and closed accounts, plus a decrease in credit card solicitations from the issuers.

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“If consumers pay for their holiday purchases with cash, then spending will likely be very limited, as savings rates remain low. That may not be an immediate gift to the retailers, but a consumer who spends wisely will benefit the economy in the long-run,” continued Cunningham.

If you need help finding hidden money in your budget to fund holiday purchases, reach out to an NFCC Member Agency by calling (800) 388-2227, or to find a counselor online, go to www.DebtAdvice.org. For assistance in Spanish, dial (800) 682-9832.

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The National Foundation for Credit Counseling (NFCC), founded in 1951, is the nation’s largest and longest serving national nonprofit credit counseling organization. The NFCC’s mission is to promote the national agenda for financially responsible behavior and build capacity for its members to deliver the highest quality financial education and counseling services. NFCC Members annually help more than three million consumers through close to 850 community-based offices nationwide. For free and affordable confidential advice through a reputable NFCC Member, call (800) 388-2227, (en Español (800) 682-9832) or visit www.nfcc.org.