



NFCC PRESS RELEASE

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SURVEY SHOWS THAT CONSUMERS OPT AGAINST CHARGING HOLIDAY PURCHASES

Consumers Intend to Pay for Holiday Purchases with Cash

Silver Spring, MD – Even though many Americans personal finances are on life-support, the biggest spending season of the year is nonetheless fast approaching.

“Arguably, consumers are faced with spending decisions unlike ever before,” said Gail Cunningham, spokesperson for the National Foundation for Credit Counseling (NFCC). “Many have had their access to credit limited by issuers closing accounts or restricting credit lines. Others have self-imposed spending restrictions, instead choosing to pay down existing debt. However, the holiday season may be in a category of its own, tempting consumers to revert to old spending habits of days gone by.”

In October, the NFCC posed the following question and answer options regarding paying for holiday purchases on their Web site, www.DebtAdvice.org. Over 3,800 respondents weighed in.

I intend to pay for my holiday spending by

- A. Paying cash for my purchases = 68%
- B. Charging my purchases, and paying the bill in full when it arrives = 12%
- C. Charging my purchases, and paying for them over time = 10%
- D. Utilizing lay-away programs = 10%

The overwhelming majority of respondents, 68 percent, indicated that they intend to pay for holiday spending with cash. However, the NFCC’s 2009 Financial Literacy Survey revealed that one-third of all Americans have zero dollars in savings. Further, the holiday season has historically been a time when many consumers piled new debt on top of old, some still paying for holiday spending from the previous year.

What conclusions can be drawn? The implications of the October survey could indicate that Americans are well-meaning, but those intentions may not translate into reality when they hit the stores. With no savings and a lack of preparation for holiday spending, consumers will likely revert back to charging their purchases...if charging privileges are still open to them.

“While the holiday season is known as a make or break period for the retailers, it is the same situation for many Americans who are already struggling to make ends meet. Spending during the next two months can make or break them financially, with the ramifications of poor decisions following them for months or years. This is likely to be a holiday shopping season unlike any in recent history, with none of us knowing the outcome until the data arrives in January. It is our hope that consumers shop wisely, remembering that digging a financial hole is not a gift to anyone,” Cunningham continued.

If you need help balancing the reality of your budget with the demands of the holiday season, reach out to an NFCC Member Agency. To locate the agency closest to you, dial toll-free to (800) 388-2227, or for assistance in Spanish, call (800) 682-9832. To find an agency online, go to www.DebtAdvice.org.

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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.