



NATIONAL FOUNDATION FOR
CREDIT COUNSELING

*Knowing the difference can
make all the difference.*

NFCC PRESS RELEASE

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Contact:

Gail Cunningham

(940) 691-6322 - direct

(240) 672-2700 - cell

gcunningham@nfcc.org

THE FACE OF FINANCIAL DISTRESS

Millions of Consumers Seek Help from NFCC Member Agencies

Silver Spring, MD – As the economy declined, the number of consumers reaching out for financial help from the National Foundation for Credit Counseling (NFCC) increased dramatically. In 2006, the NFCC Member Agencies assisted 1.48 million people. Two short years later, that number more than doubled with 3.2 million consumers receiving counseling.

NFCC Member Agencies deliver a variety of services including budget counseling for those not experiencing financial distress, debt counseling for people who are struggling to service their debt obligations, housing counseling from pre-purchase to foreclosure prevention, along with providing the mandated bankruptcy pre-filing counseling and pre-discharge education.

It is not surprising that the highest increase in counseling was related to housing, with that area growing by 244 percent in 2008 over 2006 numbers. Another disturbing trend is related to the number of bankruptcy sessions which grew by 110 percent in the same date range.

When combining the data reflective of all services, the top reason that consumers gave when asked what brought them to us was Financial Mismanagement. Even as job losses soar, Reduced Income remained the number two reason for their financial distress. “This data supports the results of the NFCC’s 2009 Financial Literacy Survey which revealed that 41 percent of adults, more than 92 million people, gave themselves a grade of C, D or F when asked about their knowledge of personal finance. To me, this strongly suggests that there is considerable room for improvement,” said Gail Cunningham, spokesperson for the NFCC.

A snapshot of the demographics for the average person who came to an NFCC Member Agency for help shows them to be between the ages of 35 and 44 (27.4%), white (48.6%), female (53.6%) and married (49.1%). Of those seeking assistance, the largest growth was seen among Hispanics, where delivery of service grew by more than 100 percent.

“One of the most astounding statistics is that people who came to us had six credit cards with unsecured debt totaling 62 percent of their total household income. To put this into perspective, realize that this debt does *not* include their house or vehicle payment, but strictly represents credit card debt,” continued Cunningham.

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The trend is continuing, as calls to the NFCC's National Locator Line are up 34 percent year to date over the same period of last year. With close to 3,000 trained and certified credit counselors, and the largest number of certified housing counselors in the nation, NFCC Members are definitely prepared to help consumers get back on the road to financial stability.

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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 close to three million consumers through 850 community-based offices nationwide. For free and affordable confidential advice through a reputable NFCC Member, call 1-800-388-2227, (en Español 1-800-682-9832) or visit www.nfcc.org.