



NATIONAL FOUNDATION FOR
CREDIT COUNSELING

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make all the difference.*

NFCC PRESS RELEASE

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IT'S SUMMERTIME, BUT THE LIVING IS FAR FROM EASY *Survey Indicates Majority of Consumers Still Have No Money for Vacations*

Silver Spring, MD – It's summertime, which is traditionally a time for family vacations. However, due to a variety of economic issues including job loss and a general lack of consumer confidence, for the second year in a row the National Foundation for Credit Counseling's (NFCC) June online survey revealed that the overwhelming majority of consumers feel that there is simply no money available for a vacation this year.

The June 2009 and 2010 survey question and answers were identical, with the 2010 results almost a mirror image of the previous year. The comparison of the two polls is below:

This summer do you plan to

- A. Take a vacation spending the usual amount - 2010 answer = 5%, 2009 answer = 3%
- B. Take a vacation, but spend less - 2010 answer = 13%, 2009 answer = 13%
- C. Stay at home, but take advantage of local events – 2010 answer = 18%, 2009 answer = 19%
- D. No money for a vacation of any kind this year – 2010 answer = 64%, 2009 answer = 65%

The 2010 results from more than 4,100 poll respondents strongly indicate that consumers are not ready to open their wallets, and this is undoubtedly a wise decision for many. In the past consumers may have relied upon credit or home equity loans to finance their vacation. Since these options may be limited or nonexistent this year, consumers have little choice but to stay home. This could be the new norm, with vacations becoming a luxury that Americans learn to save for, rather than charge and add to an existing debt load.

The ripple effect of such decisions extends to hotels, restaurants, theme parks, resorts, airlines; indeed all connected with the travel industry placing these sectors at risk of slow growth. In spite of vacation incentives and promotions, the survey suggests that consumers are reluctant to take the bait.

Even if the individual hasn't lost his or her job, it is highly likely that they know someone who has, thus creating the psychological fear factor around spending. Consumers have had to adjust to the new reality that their house is worth less than they owe on it, that their investment accounts are worth a fraction of what they once were, and that they may have to delay retirement.

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“Today’s economic realities have been a bitter pill to swallow. If there were ever a time that the consumer needed a vacation, it is now,” said Gail Cunningham, spokesperson for the NFCC. “The shame is that there’s no money for it. However, the bad times never last forever, and returning to the basics of saving toward a goal could be a very valuable financial exercise moving forward.”

”Note: The NFCC’s June Financial Literacy Opinion Index was conducted via the homepage of the NFCC Web site (www.DebtAdvice.org) from June 1-30, 2010 and answered by 4,112 individuals.

If you need help planning and reaching your goals, contact an NFCC Member Agency. To find the location closest to you, dial (800) 388-2227, or go online to www.DebtAdvice.org. For assistance in Spanish, call (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 four million consumers through close to 830 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. Visit us on Facebook at <http://www.facebook.com/NFCCDebtAdvice> and on Twitter at <http://twitter.com/NFCCDebtAdvice>.