



Only 1 in 10 Americans Believe Fiscal Cliff-Debt Resolution Will Improve Their Personal Finances

CashNetUSA.com Survey Finds 4 out of 10 Americans Cutting Back on Spending to Cushion Impact of Tax Bite

CHICAGO (February 26, 2013) – Only 1 in 10 Americans believe the fiscal cliff and debt ceiling negotiations will be resolved in a way that favorably impacts their personal finances, according to a new survey of 1,000 Americans by online lender CashNetUSA.com. The study finds that almost half of Americans have felt the bite of higher taxes since January 1 and are changing their overall spending habits to lessen the pain.

Approximately four out of 10 Americans (42 percent) indicate they have already felt a loss of income in their paycheck from the two percent federal tax break which expired December 31. Age, family status and income appear to alter people's views on how the tax increase has impacted their paychecks. The majority of the pain has been felt amongst those Americans with children under the age of 18 at 52 percent, versus just 36 percent of those with no children or children over the age of 18. Only 34 percent of those individuals making \$30K or less recognized the change in their paycheck versus 45 percent of those making \$75K plus. Only 41 percent of those under the age of 30 have felt the loss versus 54 percent of those ages 30 to 39.

To cushion the paycheck reduction from the expiration of the two percent federal tax break, Americans polled in the survey report making the following adjustments to their spending habits since January 1:

- 19 percent spending less on food/eating out
- 16 percent spending less on entertainment
- 9 percent putting less into savings
- 5 percent spending less on clothing

While Congress and the Administration seek to resolve the fiscal cliff and debt situation, many Americans are already taking action to lessen the effect of what they believe will be a long-term negative impact on their personal finances. Almost half (45 percent) are trying to spend less on everyday expenses and 7 percent are putting more into savings as a safety measure. Forty-four (44 percent) acknowledged having yet to take action. Experience with budgeting through tough economic times might be an advantage, as Americans ages 30 to 49 are more likely to cut back on their spending (50 percent) versus those under the age 30 (35 percent).

"As our government continues to work through its debt and tax issues, the situation is indeed affecting American's spending habits, which could have a larger impact on the country's overall economy," said Megan Staton, director of Marketing for CashNetUSA.com, one of the country's leading online lenders of cash advances to manage financial emergencies. "As they struggle to make the most of their paycheck they need options for credit that can help them handle an unexpected emergency."

The White House and Congress reached an agreement to avert the fiscal cliff allowing previous reductions in Social Security withholdings to expire on December 31. Payroll taxes have increased from 4.2 percent to 6.2 percent in paychecks since the first of January. In further debt-reducing efforts, about \$85 billion in across-the-board spending cuts will also begin on March 1 as part of a decade-long \$1.2 trillion budget savings plan unless Congress acts by that date. It is estimated that half of the cuts would be in Defense Department programs with the remaining half spread across other government agencies, which could result in the loss of jobs and government contracts.

About the Survey

The online lender regularly surveys Americans for their perspective on issues impacting their paycheck and personal finances. This CashNetUSA.com survey was conducted online in February 2013 by TNS Omnibus among a nationally representative sample of 1,000 Americans 18 and older. The margin of error for the national sample is approximately three percent. Surveys are subject to other error sources as well, including sampling coverage error, recording error, and respondent error.

[Click here](#) for the complete survey findings or go to: <http://www.cashnetusa.com/blog/wp-content/uploads/2013/02/CashNetUSA-Fiscal-Cliff-Impact-Survey-Data.pdf>.

About CashNetUSA.com

CashNetUSA.com is America's leading and licensed online lender of cash advances and the top choice amongst consumers needing access to credit to manage financial emergencies. A trusted online provider of credit alternatives for hard-working people, CashNetUSA.com believes everyone deserves access to simple and trustworthy financial services and is working to close the credit gap for underserved customers.

Additional information may be found at <http://www.cashnetusa.com> | Twitter: @cashnetusa | Blog: www.cashnetusa.com/blog | Facebook: www.facebook.com/cashnetusa.

For a videotaped interview with Megan Staton commenting on the CashNetUSA.com survey, please go to: <http://www.cashnetusa.com/blog/fiscal-cliff-debt-resolution/>.

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