

NEWS RELEASE

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MOST AMERICANS SAY U.S. IS ENTERING RECESSION, ACCORDING TO AICPA SURVEY

Many Cutting Spending and Paying Down Debt

NEW YORK (April 30, 2008) – Sixty-eight percent of America’s adults believe the United States is heading toward a recession, and slightly more than half (53 percent) are cutting their spending and paying down debt as a result, according to a survey by American Institute of Certified Public Accountants.

Americans’ most pressing financial concerns, according to the poll, are escalating energy costs, retirement and education (either a child’s education or student loans).

“Hard economic times tend to be a spur for people to curtail their spending and reduce their debt burden,” said Carl George, chair of the AICPA’s National CPA Financial Literacy Commission.

Nearly a quarter (24 percent) of respondents in the poll, conducted for the AICPA by Harris Interactive, said they are considering a second or part-time job to help them meet current expenses. This is a significant increase from last year, when 16 percent of the respondents said they were contemplating this course of action.

“Unfortunately, many Americans lack sufficient savings to provide a cushion during economic difficulties, as indicated by the number of people seeking part-time work,” George said. “They should try to put some money aside each week or month so saving becomes part of their routine.”

To help improve Americans’ financial skills, the CPA profession created 360 Degrees of Financial Literacy (www.360financialliteracy.org), which educates them on how financial issues affect them at different life stages. A related campaign, Feed the Pig (www.feedthepig.org), created with the Ad Council, assists 25 – 34 year-olds in preparing for long-term financial security.

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Methodology

The study was conducted by telephone within the United States by Harris Interactive on behalf of the American Institute of Certified Public Accountants between March 5 and March 9, 2008, among 1,026 Americans over the age of 18. Results were weighted for education, age by sex, race, household size (number of adults), number of voice/telephone lines in the household, and 8-point region where necessary to align them with their actual proportions in the population. A full methodology is available.

About the AICPA

The American Institute of Certified Public Accountants (www.aicpa.org) is the national, professional association of CPAs, with more than 350,000 members, including CPAs in business and industry, public practice, government, and education; student affiliates; and international associates. It sets ethical standards for the profession and U.S. auditing standards for audits of private companies; federal, state and local governments; and non-profit organizations. It develops and grades the Uniform CPA Examination.

The AICPA maintains offices in New York; Washington, D.C.; Durham, N.C.; Ewing, NJ; and Lewisville, TX.

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