

## The Middle-Class Tax Cuts' Impact on Consumer Spending and Retailers:

### IMPACT FOR NEBRASKA

President Obama is committed to growing our economy from the middle out by ensuring a strong, secure, and thriving middle-class. Now we face a deadline that requires action on jobs, taxes and deficits by the end of the year. While the President is committed to working with Congress to reduce our deficit in a balanced and responsible way, there is no reason to hold the middle-class families in Nebraska hostage while we debate tax cuts for the highest income earners.

#### NEBRASKA CAN'T AFFORD TAX INCREASES ON MIDDLE-CLASS FAMILIES...

- A median-income Nebraska family of four (earning \$75,500) could see its income taxes rise by \$2,200.
- 99 percent of Nebraska families who make less than \$250,000 a year and would not see an income tax increase under the President's plan.

#### ...BECAUSE MIDDLE-CLASS FAMILIES DRIVE NEBRASKA'S ECONOMY...

The bulk of economic activity comes from American families buying basic necessities like clothing and healthcare; durable goods like cars and furniture; and the food and gifts that millions will enjoy over the holiday season.

- **The retail industry employs 14.8 million Americans – including 105,200 in Nebraska – and has been a key part of the recovery.** In the 40 months since the recession ended in June 2009, the retail industry alone has been responsible for more than 9 percent of overall employment growth and has added 438,000 jobs in the past 32 months.
- **Over the course of this year, American consumers are on pace to spend around \$5 trillion on retail sales.** And with the start of the holiday shopping season, which accounts for close to one fifth of industry sales nationwide, retailers can't afford the threat of tax increases on middle-class families.

#### ...WHICH IS WHY RAISING TAXES ON THE MIDDLE-CLASS WILL HURT NEBRASKA'S ECONOMY

Nebraska's economy can't afford that right now. New analysis by the President's Council of Economic Advisers (CEA) finds that:

- **This sharp rise in middle-class taxes and the resulting decline in consumption could slow the growth of real GDP by 1.4 percentage points in Nebraska.**
- **Faced with these tax hikes, the CEA estimates that consumers in Nebraska could spend nearly \$1.2 billion less than they otherwise would have in 2013 just because of higher taxes.** Consumers nationwide would likely spend nearly \$200 billion less than they otherwise would have in 2013.

*For more information read the full White House Report by report released by the National Economic Council and the Council of Economic Advisers [“The Middle-Class Tax Cuts' Impact on Consumer Spending and Retailers.”](#)*