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Majority of American families spending less for holidays, First Command reports

*First Command Financial Behaviors Index cites current state of economy
and personal finances as motivating factors in scaling back spending*

Fort Worth, TX – More than half of American families expect to cut back on holiday spending this year, citing less money and uncertainty about the economy as motivating factors, according to the First Command Financial Behaviors Index.

Results of the Index's November survey indicate that 59 percent of American families plan on spending less during the holidays this year, while only five percent plan on spending more. Moreover, approximately one-fourth (23 percent) said that they will spend "much less" this year.

"This drop in holiday spending plans is another sign that the nation's financial ills are affecting the fiscal health of middle-class America," said Scott Spiker, CEO of First Command. "The deteriorating economic conditions have moved beyond corporate board rooms and straight into our living rooms."

When asked why they are spending less this holiday season, 39 percent of respondents said that they either have less money to spend or are otherwise cutting back. An additional 23 percent mentioned the current state of the economy as the cause of their spending reduction, specifically uncertainty about the economy in the upcoming year. Also, the Index revealed a gender gap: Sixty-four percent of women said that they will spend less during the holidays this year compared to 52 percent of men. Women are more concerned than men about the economy and job security.

On a promising note, the Index records that 13 percent of respondents plan to cut holiday spending because they are trying to improve their savings to debt ratio. Six percent indicated they are increasing savings, and seven percent are planning to pay down debt. This trend began to emerge in September, when the Index revealed a 29 percent increase in short-term savings and an eight percent rise in payments on short-term debt. In November, 55 percent of respondents indicated that they plan to increase their savings in December or decrease the amount of debt they carry.

"The majority of Americans are responding to the turmoil in the global economy by taking positive steps to improve their personal economies," Spiker said. "They are giving their families the gift of financial security."

About the First Command Financial Behaviors Index

Compiled by Sentient Decision Science, LLC, the First Command Financial Behaviors Index assesses trends among the American public's financial behaviors, attitudes and intentions through a monthly survey of approximately 1,000 U.S. consumers aged 25 to 70 with annual household incomes of at least \$50,000. Results are reported quarterly. The margin of error is +/- 3.1 percent with a 95 percent level of confidence.

About Sentient Decision Science, LLC

Sentient Decision Science was commissioned by First Command to compile the Financial Behaviors Index. Sentient is a full-service market research firm with special vertical expertise within the financial services industry. Sentient specializes in advanced research design and statistical analysis of behavioral and attitudinal data.

About First Command

First Command Financial Services and its subsidiaries, including **First Command Bank** and **First Command Financial Planning**, assist American families in their efforts to build wealth, reduce debt and pursue their lifetime financial goals and dreams—focusing on consumer behavior as the first and most powerful determinant of results. Through personalized financial plans that emphasize accumulating wealth while reducing risk, **First Command Financial** Advisors have established lasting relationships with hundreds of thousands of client families since 1958.

For more information about **First Command**, visit www.firstcommand.com.

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