

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

IMPACT FOR VIRGINIA

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 Virginia hostage while we debate tax cuts for the highest income earners.

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

- A typical Virginia family of four (earning \$86,000) could see its income taxes rise by \$2,200.
- 98 percent of Virginia 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 VIRGINIA'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 407,700 in Virginia – 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 VIRGINIA'S ECONOMY

Virginia'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 1.3 percentage points in Virginia.**
- **Faced with these tax hikes, the CEA estimates that consumers in Virginia could spend nearly \$5.3 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.”](#)