

Economic Stimulus Tax Rebate Plan: Will It Actually Stimulate Spending?

Majority of U.S. consumers say they will use rebates to pay down debt

Basking Ridge, NJ (January 31, 2008) -- A new survey by Lightspeed Research reveals that more than 50% of U.S. consumers plan to use their proposed tax rebates primarily to pay down debt, rather than spend it.

Just 20% of consumers said they will spend the majority of any tax rebates they receive, according to the nationwide survey of 2,134 consumers conducted January 29-31.

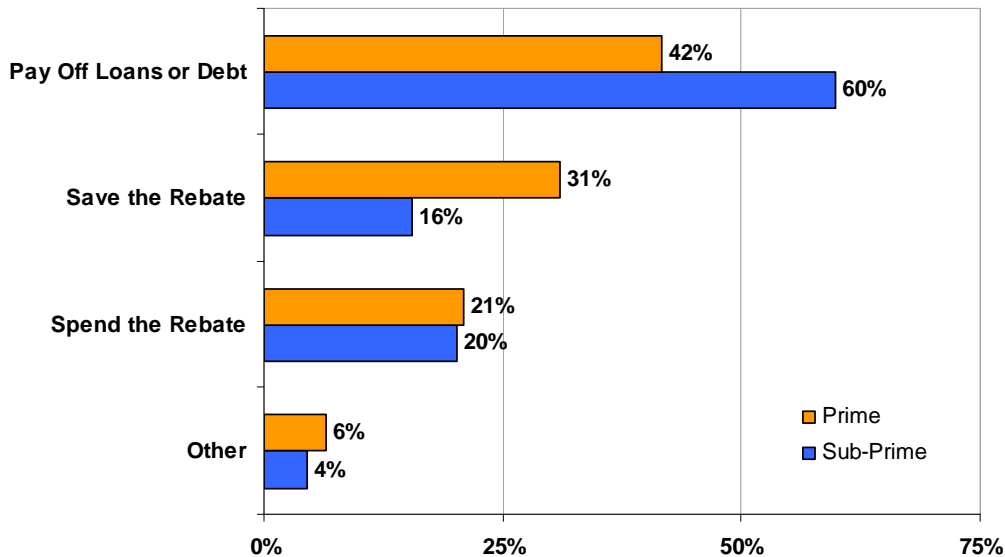
The survey gauged consumer awareness of the proposed stimulus package and their expected usage of any rebate checks received in June of this year. Overall, nearly two-thirds of consumers surveyed were aware of some or most of the proposed plan details. Awareness increased with household income (59% among those with household income less than \$60,000 and 71% among those with household income greater than \$60,000).

Of the 51% who plan to use their rebates primarily to pay down debt, 80% plan to pay down their credit card debt while only 7% intend to pay down their mortgage balances.

Sub-prime consumers -- whose economic troubles have played a large role in driving up mortgage and card delinquency rates -- were most likely to say they would pay down debt (60%), compared to less than half of consumers with a prime credit score (42%). These prime consumers were twice as likely as sub-prime consumers to plan on saving the money (31% versus 16%), but the reported likelihood of spending the rebate was equivalent (21% versus 20%).

These results indicate that the immediate impact of the proposed stimulus package may be felt more strongly among lending institutions, credit card issuers in particular, than among retailers.

Planned Primary Usage of Economic Stimulus Rebate:



Source: Lightspeed Research January 2008; Margin of Error: +/- 4 Percentage Points.

Through their behavioral tracking capabilities, Lightspeed Research will continue to monitor the spending behavior of these consumers.

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About Lightspeed Research

Lightspeed Research is a global interactive data solutions provider delivering market research insights. Lightspeed provides access to household members across 34 countries in North America, Europe and Asia-Pacific.

Lightspeed's behavioral tracking panel provides a comprehensive and continuous view into consumers' financial lives. Lightspeed Research's proprietary panels are recruited and maintained to ensure quality and representative sampling to support studies that range in scope and complexity across most industry sectors. Lightspeed Research operates panels covering financial services, healthcare, automotive, B2B, telecommunications, family and more. Lightspeed Research is a member of WPP (NASDAQ: WPPGY) (LSE: WPP), one of the world's leading communications services companies. For more information, please visit www.lightspeedresearch.com