



November, 14, 2012

The President
The White House
Washington, DC 20500

Dear Mr. President:

I am writing to urge quick action to avert the “fiscal cliff” set to occur at the end of this year. The Congressional Budget Office and many private economists forecast that the automatic imposition of hundreds of billions of dollars of tax increases and spending cuts will almost certainly lead to a recession and higher unemployment. With our nation still recovering from the last recession, we cannot afford to allow the fiscal cliff to happen.

NRF represents retailers of all types and sizes from the United States and more than 45 countries abroad. Retailers operate more than 3.6 million U.S. establishments that support one in four U.S. jobs – 42 million working Americans – and contribute \$2.5 trillion to annual GDP. Some 26 percent of NRF members are small businesses with less than \$1 million in annual sales.

Although most economists have focused on the impact to the economy in 2013, more immediate economic consequences could occur over the next few weeks if consumers lose confidence in the ability of policymakers to work together to solve tough problems.

Negotiations between Congress and the President begin just as consumers embark on the traditional holiday shopping season that starts the day after Thanksgiving. Many retailers rely on the holiday season for a quarter of their annual sales, and any disruption to consumer confidence and spending during this season could prompt a crisis for retailers and the millions of U.S. jobs the industry supports.

Rather than setting New Year’s Eve as its deadline, Washington needs to act quickly to set in place a framework for resolving this situation, preferably before Thanksgiving. Demonstrating the ability to work in a bipartisan manner will ease consumers’ worries and avoid severe economic consequences during the single most crucial spending season of the entire year. The solution will require significant compromise by both sides to foster a thoughtful debate rather than the partisan brinksmanship that damaged consumer confidence and the economy during the recent debt ceiling debacle.

It is particularly important during this debate that lawmakers listen to small businesses, including the independent Main Street retail stores that are some of our nation’s most important job creators. Many small business owners report their business income on their personal income tax returns and will be critically impacted by the outcome of this debate. The U.S. economy cannot afford a man-made disaster of the magnitude of the fiscal cliff. It is a crisis Congress and the White House invented. It is a crisis Congress and the White House must fix.

Sincerely,

A handwritten signature in black ink, appearing to read 'Matthew Shay', is written over a white rectangular background.

Matthew Shay
President and CEO

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