



JEWELERS OF AMERICA

PRESS RELEASE
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Jewelers of America Fights LIFO Repeal

Association urges members, industry stakeholders, to contact legislators

New York, NY – Jewelers of America, the national trade association for businesses serving the fine jewelry retail marketplace, has initiated a campaign to aggressively oppose a repeal of the last-in, first out (LIFO) inventory accounting method, which President Barack Obama has proposed in his FY 2010 budget.

“This repeal would be a potentially fatal blow to companies in the jewelry industry that use LIFO,” says Jewelers of America President and CEO Matthew A. Runci.

Jewelry businesses that use the LIFO inventory accounting method are able to record the sale of their most expensive inventory first, thereby decreasing profits and reducing taxes. By minimizing taxes, jewelers can also maximize after-tax cash flow. At a time when industry businesses are dealing with a liquidity crisis and credit has become difficult to obtain, cash flow is critical to the survival of many companies. LIFO is also a useful accounting method when the costs of inventory are rising, as they are currently in the jewelry industry. Runci notes that repealing LIFO now would negatively affect not only many retailers, but also jewelry manufacturers and diamond, gem and watch distributors.

Jewelers of America has joined and will serve on the steering committee for the LIFO Coalition, a Washington, D.C.-based partnership of associations and businesses that oppose LIFO repeal. The association is also leading the opposition within the jewelry trade, providing information and materials to assist American Gem Society (AGS), Jewelers Board of Trade (JBT) and the Manufacturing Jewelers and Suppliers of America (MJSA) in fighting the repeal.

“We plan to add the jewelry industry’s voices to others who are saying that now is not the moment to further harm companies struggling to recover from weak economic conditions,” Runci adds.

Contacting Congress

The campaign includes a two-pronged effort to eradicate the LIFO repeal threat. First, Jewelers of America is urging members of the trade to contact legislators by email, letter, phone or even in person, using a

provided sample letter/talking points. A list of targeted legislators who serve on key budget and finance committees has been included in the outreach. Jewelers of America has initiated its LIFO campaign push to coincide with the Congressional spring recess from April 6-17. With many legislators in their home districts during this period, the association is encouraging members of the trade to speak to their representatives directly, or at town halls and other live, local meetings. Contact details for every member of the House of Representatives and the Senate can be easily searched by going to www.usa.gov/Contact/Elected.shtml.

JAPAC Donation Drive

The second component of the Jewelers of America campaign is fundraising. The association is asking members to donate funds to JAPAC, the Jewelers of America Political Action Committee, in order to help get the attention of legislators who serve on budget and finance committees. Under Federal Election Commission rules, however, only Jewelers of America members can contribute to JAPAC. Thus, the association has developed a special low-cost one-year membership offer to quickly sign up trade members who wish to support JAPAC.

How to Get Involved

To obtain Jewelers of America's sample letter/talking points to oppose LIFO repeal and key legislators' contact information, industry members are urged to contact Jewelers of America's public affairs department: Peggy Jo Donahue, director, pjdonahue@jewelers.org, (646) 658-5802; or Susan Thea Posnock, manager, sposnock@jewelers.org, (646) 658-5806.

To contribute to JAPAC, current Jewelers of America Members can visit: <http://www.jewelers.org/publicaffairs/JAPAC.html> for more information. Non-members should email Jewelers of America via Sharie Fogarty, assistant to the president and CEO, sfogarty@jewelers.org, in order to join the association and fight LIFO repeal.

For more information, contact the Public Affairs Department:

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About Jewelers of America:

Jewelers of America is the national trade association for businesses serving the fine jewelry retail marketplace, representing 11,000 member stores. Jewelers of America's primary purpose is to improve consumer confidence in the jewelry industry by: serving as a forum for discussion and analysis of issues; playing a leadership role in public, government and industry affairs; advocating professionalism, including high ethical, social and environmental standards; and facilitating members' access to education. For more information about Jewelers of America, visit www.jewelers.org.