

American Saver

You Can Build Wealth

Cooperative Extension Leads Local Campaigns

A report completed recently for Cooperative State Research, Education, and Extension Service, USDA (CSREES), the federal partner in the nationwide Cooperative Extension System, found that Cooperative Extension offices are participating in 31 local America Saves campaigns. These campaigns in 20 states have enrolled nearly 20,000 Savers who have saved an estimated \$8 million.

Cooperative Extension staff is providing leadership in 16 campaigns located in all regions of the country: the Southeast (Florida, Georgia, Alabama, North Carolina, Tennessee, Kentucky), the Northeast (New York, Pennsylvania, Maryland), the Midwest (Kansas, Wisconsin, Indiana, Ohio), and the West (California).

CREES leader Jane Schuchardt was the first to recognize that America Saves represented a logical evolution from Money 2000, a savings/debt repayment program run solely by Cooperative Extension offices. She saw that America Saves embodied the Money 2000 principles while providing Cooperative Extension additional technical and financial resources.

The first Cooperative Extension led campaign was Indianapolis Saves, which launched in 2001. At present, Extension led programs are being organized in San Diego, Pennsylvania, Northland (WI), Kansas, Hancock County (OH), and Clark County (WI).

"Cooperative Extension has greatly strengthened America Saves," said Nancy Register, America Saves National Coordinator. "Cooperative Extension agents are logical leaders because of their financial expertise and commitment to financial education of less affluent populations."

UTAH SAVER

A Tough Road To Saving Success

Bianca Young grew up in a household where money was never talked about. She was never taught how to save or manage money. But after years of personal and financial setbacks, she's managed to teach herself.

"The roads have been tough all my life. If I'm given the opportunity to change that, then I'm going to change it," she said. "I have grown smarter about money. I realize how important it is to save."

The change began several years ago, when a failed relationship and a long and costly custody battle had left her with nothing. Having spent some time working in the credit counseling industry, she started to educate herself about saving, retirement, and how to manage money successfully.

One of her first steps was to put herself on a budget. "It wasn't easy, but it was necessary," she said. "I had to learn how to say no to my children when they asked me for things. I went to the grocery store and asked myself, 'What do we need, and what do we want?'" Only after she had gotten the things on the "needs" list did she add one or two items from the list of "wants."

She also developed a new appreciation for the importance of saving. "I didn't know how important it was. As you watch TV and you hear speculation about the Social Security reform, you kind of get worried, because Social Security may not be around when the time comes for me to retire. That scares me. I worry about my retirement, my children going to college, me going to college. I said to myself, 'I have got to start saving.'"

Although she opened a savings account, she still wasn't finding the money to save until she heard about Utah Saves. They taught her about the importance of paying off debts. "I didn't know that paying off debt was a form of saving. But after I thought about it, it all made sense," she said.

When she signed up as a Saver, she made paying off her debts her first goal.



"You don't have to be rich, you just have to think smart."

Bianca Young

"I have set goals before, but as I continued to deal with the challenges that were constantly being thrown at me, I never stuck to my goals. Signing up as a Utah Saver gave me the opportunity to set my goal and see the goal in front of my face."

Part of her motivation comes from wanting her children to have something to fall back on if anything happens to her, she said. "I don't want to have debt left behind once I'm gone. I want to retire comfortably. I also just want to be happy."

Once her debts are paid off, she plans to put the extra money into a savings account. "Many people don't look at the future because they don't want to think that far ahead," she said.

"They're wrong. You have to be prepared to face those challenges. You don't have to be rich, you just have to think smart," she added. "Without the knowledge of saving, credit, budgeting, and debt, we lose."



Financial Market **facts**

September 2005

Money market account	0.69%
1-year CD	2.99%
5-year CD	3.79%

U.S. Savings Bonds

EE Bond	3.50%
I Bond	4.80%

Mortgage Rates

30-year fixed rate mortgage	5.80%
15-year fixed rate mortgage	5.39%
5-year adjustable mortgage	5.36%

Sources: *The New York Times*, "Data Bank," pg. BU 11, September 11, 2005 and www.savingsbond.gov, September 12, 2005.

Family Wealth **facts**

Wealth and Marital Status

Net Financial Assets

Married	\$27,560
Unmarried female	\$2,220
Unmarried male	\$8,620

Net Wealth

Married	\$140,000
Unmarried female	\$27,850
Unmarried male	\$46,990

Source: Federal Reserve Board, *2001 Survey of Consumer Finances*.

Savings Strategies

The Importance of Emergency Savings

Building an emergency fund is the most popular goal among American Savers. A recent consumer survey of American women demonstrates the wisdom of this savings behavior.

Here's what the survey of a representative sample of 1,031 women found:

- The typical woman has five emergency expenditures a year, averaging \$400 each. That comes to \$2,000 a year in emergency expenses. More than two-thirds of those expenditures are medical or car-related.
- More than two-fifths of women (42 percent) have emergency savings of less than \$500. That's barely enough to cover one of the five typical emergency expenditures.
- This lack of adequate savings is a prime cause not only of financial worries, but also of lost sleep and health problems. Nearly three-quarters (71 percent) of the women surveyed said they worried about their personal finances in the past year. Nearly half (49 percent) of these women said their worries had cost them sleep, while nearly one-third (31 percent) said their worries had worsened their health.
- Two-thirds of those with less than \$500 in emergency savings said that having at least this amount would make them worry less about their personal finances.

"Having adequate emergency savings is essential to financial stability and peace of mind," said America Saves National Coordinator Nancy Register. "That is probably why building emergency savings is the number one goal of the nearly 40,000 persons who have enrolled as American Savers."

Younger Women Save Less, Worry More

Younger women, especially those between the ages of 25 and 34, have the least amount of money saved for emergencies and the most worries. More than half of women in this age group (55 percent) say they do not have at least \$500 in emergency savings. Well over four-fifths (84 percent) say they worry about their personal finances at least sometimes, including 38 percent who worry frequently.

These young women who worry about their finances are far more likely than older worriers to have lost sleep because of their finances. Among those under 45

years of age, well over half report lost sleep. That compares with only 37 percent of older worriers who say they lost sleep.

The consumer survey was conducted in November of 2004 by the Opinion Research Corporation for the Consumer Federation of America and Visa USA. The survey's margin of error is plus or minus three percentage points.

Strategies for Building Emergency Savings

Anyone interested in building an emergency savings account can follow the following steps to achieve that goal.

Step 1 is to set a realistic goal and timetable for building emergency savings. That goal could be \$500 during the first year - less than \$50 a month - \$1000 during the second, and \$2000 during the third. But this goal will vary from person to person depending on their need and income. Keep in mind that even smaller goals - such as \$120 a year or \$10 a month - are better than no goal at all.

Step 2 is to find the money for this savings. The America Saves website includes tips for finding money to save. If you need additional help, consult your local Saves campaign, non-profit consumer credit counseling agency, or Cooperative Extension program.

Step 3 is to find a bank or credit union that offers a savings account with opening and monthly minimums which you can meet. These minimums are typically several hundred dollars. However, many banks and credit unions are working with local Saves campaigns to offer enrolled Savers accounts with low or no account minimums.

Step 4 is to be faithful about making deposits in the account each month. That is easier to do automatically. Ask your employer if they can directly deposit a portion of each paycheck in your savings account. If this option is not available, ask your bank or credit union to automatically transfer funds from your checking to savings each month. Most will do so without charge.

Step 5 is to be disciplined and patient. In order to meet your emergency savings goal, be prepared to drive your old car another year before replacing it, or to do without premium cable channels. When emergencies occur, you will be happy you made these wise choices.

A Quarter **Saved** is a Quarter **Earned**

No one knows better than Savers how to find the extra dollar here and quarter there that, over time, add up to substantial savings. Here are a few of their savings tips.

When paychecks are direct deposited into a checking account, human nature takes over and we usually spend first and save last, resulting in little or no money going towards savings at the end of the month. Instead, direct deposit your paycheck into your savings account. Then, once per month, transfer a set amount from savings into checking to take care of your budgeted expenses. If you transfer less than what came in, you're going to be saving the easy way.

JARIS HANSEN
EVANS, CO

I am learning to use cash again and saving more than ever. After developing a monthly spending plan (a.k.a. budget), I decide how much cash I will need for gas, groceries, entertainment, etc. I cash one check per pay period for a set amount to be divided and placed in the appropriate envelope. I only use cash when making purchases and avoid impulse buying that is not budgeted. I have reduced ATM fees and find it easier to keep money in the bank safe for a "rainy day."

MONICA JORDAN
FORT WALTON BEACH, FL

My grocery store not only has a "Rewards Card" but also a pet points club. For every \$1 you spend on pet products, you get a point. Once you reach 100 points, you get a certificate worth \$9 cash. When I'm going to the store, I let friends, neighbors, and relatives know and ask if they'd like me to pick anything up for them, partic-

ularly pet-related (to be reimbursed, of course). I get the accumulated pet points. It's also good exercise, and my elderly neighbors really appreciate it too.

PAMELA PARASK
HENDERSON, NV

I have a credit card that gives me points for every dollar I spend. I use the points to get free hotel rooms at good hotels which charge over \$100 a room. I pay my bill in full when it comes due so I don't have to pay the interest charge.

JOSEPH TOSCANO
VERONA, NJ

Many toiletry and household items may be accumulated for free using rebates. Check the Sunday papers for "free after rebate" offers available to drug stores and office supply stores.

DEBORAH HERBERT
WETUMPKA, AL

Take the amount that is saved by using coupons and the in-store savings that is printed on the cash register receipt each week and put that amount of money into a savings account.

DANA SENTENEY
INDIANAPOLIS, IN

I have rid my closet of dry cleanables. It has taken a few years, seasons to weed things out and not buy "dry clean only." It saves time and money not to go to the dry cleaners.

NANCY GRACE LEASE
TUCSON, AZ

My kids have several battery operated toys. Every six months, I change the batteries in my smoke detectors. The batteries still have a charge, so I put them in a bag labeled "Kids Toys Only." I use them for battery operated toys or other non-emergency uses.

MATTHEW P. ALANDT
SOUTH EUCLID, OH

Send your savings tips to:

American Saver, c/o Consumer Federation of America, P.O. Box 65686, Washington, D.C. 20035-5686.

If we select your tip for publication, we will send you a \$50 EE Series Savings Bond (initial value \$25). Please include your name, mailing address, and phone number so we can contact you to arrange for your savings bond.

Save all your pop and beer bottles till the end of the year if you can. Turn them in (to a recycling center) around October or November and put that money towards Christmas. If you don't have room to store them all year, you can cash the bottles in and put the money in a can. Make sure you stay out of the can till you go Christmas shopping or need it for an emergency. You will be surprised at how much money you'll have at the end of the year just by doing that.

SHERRY GOWARD
ST. LOUIS, MI

American Saver

American Saver is the quarterly newsletter of the America Saves campaign, a national program to encourage and assist Americans to save and build wealth more effectively.

The campaign is coordinated by the non-profit Consumer Federation of America (CFA), supported by national foundations, and advised by dozens of non-profit, government, and business groups. A generous grant from the New Century Financial Corporation supports the publication and distribution of the *American Saver*.

Questions about how to start a local savings campaign in your area should be directed to: Nancy Register, America Saves, c/o CFA, P.O. Box 65868, Washington, D.C. 20035-5686; 202-387-6121 (phone); 202-265-7989 (fax); nregister@consumerfed.org.

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News

FROM LOCAL CAMPAIGNS

Note: This is not an exhaustive list of the activities of all America Saves sites, but rather a sampling of activities from several of the local campaigns. For a more complete list of America Saves campaigns, be certain to visit our website at www.americasaves.org.

Members of the Association of Military Banks of America have agreed to help test marketing materials and Saver enrollment processes for **Air Force Saves**. The campaign will also participate with **Okaloosa Saves** (FL) in a Build Wealth Week in late September.

Having signed up hundreds of Savers throughout the summer, **Charlotte Saves** (NC) has scheduled ten seminars at six different sites for the months of October and November. The campaign has teamed up with the Latin American Coalition and Consumer Credit Counseling to address debt and savings issues in the Hispanic Community.

In September, **Cleveland Saves** brought together Cuyahoga County and Cleveland city employees for a wealth-building fair called "Fall Into Savings." One hundred employees set savings goals and enrolled as Savers.

Columbus Saves (OH) participated in a wholeness health fair in June at three local hospitals. More than 20 wealth coaches and motivational speakers volunteered at the event, where nearly 100 employees of the hospitals enrolled as Savers.

Family Counseling Services of Jacksonville, FL has received a grant from the City of Jacksonville to contin-

ue to provide the **Jacksonville Saves** program in the community.

Kansas City Saves will host a seminar, "Strategies for Amazing Financial Results," sponsored by CitiCards in November. Professor and author Dr. Dennis P. Kimbro has agreed to be the keynote speaker.

In August, 65 county Extension agents were introduced to revised **Kansas Saves** guidelines and a new financial website being built to feature links to Saves campaign information, media articles, and educational curriculum resources. The campaign has set a goal of beginning campaign activity in 35 Cooperative Extension sites across the state.

Philadelphia Saves piloted three successful public Wealth Building Workshops at The ING Café in center city Philadelphia. Four workshops have been added for the fall.

San Diego Saves is partnering with the Financial Planning Association of San Diego. Local financial planners will provide free 30-minute financial consultations to San Diego Savers.

The Chattanooga Area coalition of **Tennessee Saves** celebrated its third annual Tennessee Saves Night at the Chattanooga Lookouts baseball game with 6,054 in attendance. Coalition

members recognized youth Savers and gave away savings bonds, cash, and other prizes. The new campaign mascot, Super Saver - a "caped crusader" quarter - made its debut at the game. The campaign estimates it reached more than 500,000 people with the message to "build wealth" through a month-long marketing blitz that included news articles, television spots, newsletter items, and an ad in the Chattanooga Lookouts game program.

Tennessee Saves in Nashville participated in the annual Mayor's First Day Festival celebrating the start of the school year. At the event, which was attended by more than 21,000 students and parents, the Nashville area coalition provided savings learning activities for children and kicked off the promotion for its first Save Your Change event, scheduled for late October.

Texas Saves has received federal support from the U.S. Department of Labor and Secretary Elaine Chao.

Utah Saves is planning a statewide campaign launch in November. More than 340 Savers have enrolled during the pilot phase, and 35 Saves sites have been established and held motivational workshops. Several state regional coordinators and close to 50 volunteers have completed training.

www.AmericaSaves.org

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