Making it Work

Aimee Shaffer worked as a Public Service News Director for radio for years until one day her employer downsized the company, resulting in hundreds of lost jobs, including Aimee’s. Unfortunately, her contract made it so that she couldn’t work for a competing local station for one full year. “I was without a steady income for the first time,” said Aimee. With the little unemployment she received, she made sure to pay her bills so she wouldn’t get behind. She also looked around for other work and accepted help from family and friends.

To make ends meet, Aimee cut back on her spending. “For $10 I got a pass to the local parks near my house. I spent lots of time hiking and biking for entertainment instead of spending money on other items,” said Aimee.

While looking for work, she took the time to reflect on her work life and decided she wanted a change. “I didn’t want to live paycheck to paycheck anymore.” She loves working with animals and decided to open up her own business as a full-time professional pet sitter.

Shortly after starting her business, Aimee’s Ford Aspire “expired.” She talked with a friend who worked at a car dealership and discovered that she didn’t have any credit to her name in order to buy a new car. The dealership allowed her to build credit by leasing a car, and after two years of making lease payments without fail she was able to qualify for a car loan. Her loan was also approved because of her business. “My decision to work on my own paid off financially and allowed me to do something I love,” said Aimee.

A few years before Aimee lost her radio job she interviewed Elaine Courtney with Okaloosa Saves and was inspired to save for retirement. “I didn’t think I had enough money to save but I started by putting $25-$50 away with each paycheck and now I have a nice little fund,” Aimee added. She still enjoys learning about her finances and recently attended a Women and Money course. The course confirmed that she was on the right track with her finances and gave her a free copy of her credit score for attending. “I was so happy to see that all my hard work to earn credit actually paid off.”

CAMPAIGN NEWS

Savings Goal by %

Last spring we asked you to let us know how you have done financially since joining America Saves. Here’s what you had to say.

Amount Saved Since Joining America Saves

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<th>Joined in 2010</th>
<th>Joined in 2011</th>
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<tbody>
<tr>
<td>Average Saved Since</td>
<td>$4,945</td>
<td>$2,734</td>
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<tr>
<td>Joining America Saves</td>
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Family Wealth facts

38% of household financial decision makers live paycheck to paycheck.
Only 30% of household financial decision makers feel comfortable financially.
Only 34% of household financial decision makers think they can afford to retire by age 65.

Source: 2012 Household Financial Planning Survey by the Consumer Federation of America and Certified Financial Planner Board of Standards, Inc.
SAVINGS STRATEGIES

5 Signs You Are In Financial Trouble

Roughly one in six Savers that have signed up with America Saves has selected “paying off consumer debts” as their wealth-building goal.

If you answer “yes” to any of the following questions, then you probably need to get your debts under better control:

1. Do you use your credit card for basic needs like rent, insurance, and food?
2. Can you only afford to make minimum payments on your credit cards?
3. Do you worry about finding the money to make monthly car payments?
4. Do you borrow money to pay off old debts?
5. Have you used a home equity loan to refinance credit card debts, then run up new revolving balances on your cards?

Recovering from Overwhelming Debt

By Gale Cunningham, National Foundation for Credit Counseling (NFCC), Inc., Vice President of Membership and Public Relations.

Debt is definitely a four-letter word. Don’t get me wrong. I appreciate credit, but when the misuse of credit, or life for that matter, leads to overwhelming debt, it can consume you. Debt concerns are with you 24/7. You don’t sleep well. You’re not a good employee. And you’re not as good a parent or spouse as you’d like to be.

If overwhelming debt is ruining your life, do something about it. In today’s economic environment, many people are financially frozen. They don’t reach out for help because they’re convinced their situation is beyond help, they’re afraid that they might hook up with an unscrupulous company and end up worse off than when they began, or they’re simply tired of trying. Don’t let this be you. You owe it to yourself and your family to spend an hour with a trained and certified credit counselor, someone who sees people like you every day. If there’s a way to dig out, they’ll find it. And if not, they’ll provide you with the best resolution options available for your situation.

Each year the National Foundation for Credit Counseling awards one person or couple with their PACE Client of the Year honor. For the last few years, each winner has paid off close to $100,000 in debt in less than five years. If they can do it, you can, too. Will it be easy? Probably not. Will it be worth it? Definitely.

What most people don’t understand is that paying off debt can take decades. For instance, if you have $10,000 in debt with an APR of 18% and pay the minimum monthly payment of 2% of balance, even if you cut the card up and never add any more charges, it will take you 48 years to become debt free! Further, you’ll have paid $36,825 for that $10,000 debt, with $26,825 going to interest payments.

You should do something about your debt dilemma as soon as possible. Forty-eight years or five years? It’s your choice.

Financial Market

Money market account ............... 0.55% avg.
1-year CD .......................... 0.75%
5-year CD .......................... 1.51%

U.S. Savings Bonds

EE Bond through October 31, 2012 ........ 0.60%
I Bond through October 31, 2012 ........ 2.206%

Mortgage Rates

30-year fixed rate mortgage .............. 3.60%
15-year fixed rate mortgage .............. 2.99%
5-year adjustable mortgage .............. 3.01%

Source: BankRate.com and TreasuryDirect.gov
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 favorite savings tips.

Take advantage of the change you find on the street by putting a jar in your kitchen to collect money you find on the ground. My wife and I do this regularly. Since 2008 we have found over $500. How do we know? We take the money in our jar and put it in a 12 month CD at the end of each calendar year.

Loyd Ford

It takes more energy to keep an empty freezer/refrigerator cold. I take empty water bottles, milk jugs, and juice jugs and wash them out and refill them with water. I place them in the freezer and remove them when room is needed. I place the frozen ones in the refrigerator, which helps keep that cool too. I also use the smaller frozen bottles to keep coolers cool.

Kelly Navarro

If you're constantly making the same purchases, like sodas or candy bars from the vending machine, crunch the numbers and see how much you are spending. Then, visit your local grocery store to see if you can get the exact same items cheaper. Put the money you saved in your savings account or put it toward debt repayment. There's nothing like getting the same products you already use for a far better deal!

Melissa Crawford

Start your kids out saving 10% of their allowance, put it in the bank and let them watch it grow. Once a year allow them to take some of the savings and spend it on something. They have to see a benefit to saving or it has no tangible meaning for them.

Sue Giskaas

SAVE THE EXTRA- each month track your spending on bills, clothes, gas, misc., etc. Anytime you spend less than you did the previous month save the difference. By saving the difference you will begin to spend less in order to increase the amount of money in your savings account. This encourages saving and strategic spending habits, which lead to financial responsibility.

Sheena Williams

Birthday and holiday shopping doesn’t need to be a huge hit on your finances. Every paycheck, buy gift cards to popular retailers (but make sure they aren’t cards that expire or lose value after time). $10-15 per paycheck is very easy to budget and manage. Then when birthdays or the holidays come along, you have all of these gift cards and can either give as a gift or shop for a gift for the recipient USING the gift cards. That way you won’t be facing massive credit card bills in January (with interest added).

Jennifer May

Send your savings tips to:
kbryan@consumerfed.org
American Saver,
c/o Consumer Federation of America
1620 Eye St., NW, Suite 200,
Washington, D.C. 20006

If we select your tip for publication, we will send you a check for $25 to purchase an EE Savings Bond, which you can buy online at www.TreasuryDirect.gov. Please include your name, address, and phone number so we can contact you.

While doing laundry, use HALF a cap full of liquid detergent instead of a whole one and cut dryer sheets in half and you will have twice as many. Also use cold water in the washing machine instead of warm, as well as scrub the dryer lint trap clean. If you take the trap and run water through it and the water sits on the top, air flow isn’t getting through wasting you money. Also, stop using paper towels! Cut up an old towel and use it for rags.

Elizabeth Stimpert

www.AmericaSaves.org
West Virginia Saves held a Money & Kids workshop at the Wheeling Housing Authority on July 12th. All of the children in attendance registered as Savers and were eligible to win one of two $500.00 college scholarships.

Somerset Saves is featuring a client on their website who received financial coaching and joined Somerset Saves. She has been saving and reaching her financial goals with the help of coaching.

Silicon Valley/ South Bay Saves, along with Workforce Institute, have been instructing classes for displaced employees from all walks of life. The classes feature resources from America Saves and tips on how to save in a down economy. They also emphasize paying off high-interest debts, saving for emergencies, and learning how to budget between wants and needs.

North Carolina Saves has issued two newsletters, conducted two financial workshops on Money and Emotions, and one on Basic Money Management since March of 2012. The IDA and Asset Building Collaborative of NC has also enrolled in the Aspen Institute’s Asset Platform Financial Products Pilot, which offers appropriate and affordable prepaid debit cards and small dollar, short-term loans. They plan to promote this program in two new projects beginning this fall: Youth Financial Empowerment and Workplace Based Financial Literacy.

Milwaukee Saves teamed up with the Housing Authority of the City of Milwaukee (HACM) and the Wisconsin Women’s Business Initiative Corporation to teach a Make Your Money Talk financial literacy course, which teaches students how to manage their budgets, use credit wisely, and build savings. They recently graduated their largest class ever of 129 students. The program offers an Individual Development Account (IDA) component for HACM residents that match each dollar saved by the student with two dollars. The combined funds can then be used to pay for education, starting a business, or investing in a home. Milwaukee Saves has graduated over 700 students as well as helped 124 graduates buy their first homes through the program.

Kentucky Saves is gearing up to launch its third annual piggy bank design contest. The contest will begin in September and run through December. Fourteen winning entries will be displayed at the State Capitol during the month of February to celebrate Kentucky Saves and America Saves Week.

Kansas City Saves, in partnership with their local Bank On campaign and nine financial institutions, has opened over 300 savings accounts with deposits totaling $205,000 since July 2011. Together, they are also working on a financial education website that will publish information on every finance workshop in Kansas City.

Illinois Saves, in collaboration with Heartland Human Care Services, Inc. (HHCS) and Illinois Head Start Association (IHSA), will create a Wealth & Wellness curriculum that provides community leaders and practitioners with the tools to facilitate basic financial management and asset development workshops and support services. During these Train-the-Trainer Sessions, educators from HHCS’ asset building team will facilitate up to 32 hours of training community leaders and practitioners how to effectively use the Wealth & Wellness curriculum to enhance the asset health of their participants and communities. These financial education workshop series will be conducted in up to three regions of Illinois.

Indy Saves is now a partner with Indianapolis Campaign for Financial Fitness (ICFF) which has three pillars: Bank on Indy, Free Tax Preparation, and Financial Education.

Greater Cincinnati Saves is announcing a new partnership with the Bank On Cincinnati campaign where participants can take advantage of America Saves resources for building financial stability. Greater Cincinnati Saves is also reaching out to parents of preschoolers through a financial literacy program in libraries for young children.

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 Bank of America Charitable Foundation 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, 1620 Eye St., NW, Suite 200 Washington, D.C. 20006; 202-387-6121 (phone); 202-265-7989 (fax); nregister@consumerfed.org.

American Saver Editor: Katie Bryan

Florida Saves has continued to offer the Florida Saves 2020 workshop and has had over 1,000 people complete it in 2012. They have also been working to expand their youth outreach in the Florida Saves 4 Youth Program, which includes bracelets, camps, and other programs. They are developing a new youth financial literacy program and plan to include it in their Florida Saves 4 Youth Campaign. Also, beginning this fall with the State Chief Financial Officer, they are launching an essay contest targeting high school students.

Cleveland Saves is planning a Roll Your Change Week for October 2012, which will include financial institutions, nonprofits, and workplace associations. Participating financial institutions will accept rolled change, and clients will be entered into drawings for prizes.