

On the Path to Financial Stability



WISCONSIN SAVER:

Braderick Jones, a mechanic in Wisconsin, had always lived paycheck to paycheck, never developing a budget or a savings account. He and his family had to borrow money frequently just to pay the bills. “I

never really thought about budgeting money. We never accumulated any savings. Anytime anything unexpected happened, my family had to borrow money,” Jones said.

“Budgeting your money is part of being successful.”

— Braderick Jones, Wisconsin Saver

All this changed when he received a Wisconsin Saves flyer at his housing complex. After attending a four-week “Make Your Money Talk” program sponsored by the Wisconsin Women’s Business Initiative Corporation and Wisconsin Saves,

Jones is on the path to financial stability. By completing this class, he became eligible to open an Individual Development Account (IDA) through the Housing Authority of the City of Milwaukee.

This particular account is a match savings program. If he saves \$2,000 in two years, that amount will be matched two-to-one, producing a grand total of \$6,000 that can be used to buy a home, go back to school, or start a business. Jones said he plans to use the money as start-up capital to open a scrap metal recycling business. While he’s saving, he is working on a business plan and taking business classes in his spare time.

Attending “Make Your Money Talk” changed his life, Jones said. He now budgets his money and has made efforts to cut back on his spending.

Not only is he saving money, but he’s working towards a healthier lifestyle. “One of my biggest unnecessary expenditures was buying snacks from vending machines and fast food,” Jones said. He’s traded soda for water and fast food for home-cooked

meals. “Now I shop smart and try to find the best deals for my family,” he said. “Our bank account isn’t the only thing that’s healthier.”

His frugal financial behavior has inspired his two sons to change their spending habits too. “I try to teach my children the importance of saving. Together, we collect cans for the deposit money and shop sales rather than paying full price,” he said. “Budgeting your money is part of being successful. It isn’t something you should be embarrassed about.”

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facts Family Wealth

Top Five Savings Goals

Emergency Fund	22%
Education	18%
Debt Repayment	11%
Investment Savings	10%
Homeownership	7%

Source: Goals identified by 2009 Savers when they enroll in the campaign and launch a savings plan.

CAMPAIGNNEWS

New Look Helps Spread Savings Message

As you may have noticed, America Saves has changed its look. Last summer, the campaign adopted a new logo and updated designs for our publications, materials and website. The “rebranded” look and a new tagline were developed with the assistance of the Capital One marketing team, who worked on the project pro bono. The tagline — “Start Small. Think Big.” — has replaced “You Can Build Wealth” and “Build Wealth, Not Debt.”

All national and local campaigns will also

have a unified — but still localized — look. The new logos and taglines for local and target-market campaigns will match those of the umbrella organization and of each other. The goal of this unified look is to establish a stronger brand to help America Saves and its partners spread the savings message.

“We are honored to work with the Capital One team on this rebranding strategy,” said America Saves Director Nancy Register. “This modernized look will help build the America Saves brand and inspire

a new generation of Savers.”

Although the new logo and look has already been unveiled and certain materials, such as the *American Saver* newsletter, have already been rebranded, the campaign will continue to use existing materials until supplies are exhausted. Reprints and new pieces will reflect the new branding. Based on this approach, we expect the campaign materials and publications to be completely rebranded by America Saves Week 2010, February 21-28. •••

Retirement Savings Tips

1. If your employer provides a 401(k), contribute the maximum amount you can. The amount you choose to contribute is automatically deducted from your paycheck, so you don't pay taxes on the amount you contribute. And, if you don't see the money, you won't be tempted to spend it. Payroll deduction can make it easy for even the most savings-challenged individuals to save.
2. If your employer does not provide a 401(k), open an Individual Retirement Account (IRA).
3. You can use a simple tool, such as the Ball Park E\$timate (<http://www.choosetosave.org/ballpark>), to try to figure out how much you will need to save for a comfortable retirement. In addition, Social Security provides an on-line Benefit Estimator (<http://www.ssa.gov/estimator/>) to help you calculate what your Social Security benefit will be upon retirement.
4. Don't dip into your retirement savings if you can possibly avoid it. Not only will you lose out on all the progress you've made toward funding your retirement, you may lose tax benefits. If you change jobs, roll over your savings directly into an IRA or your new employer's retirement plan. ...



Financial Crisis Affects Retirement Plans



The financial crisis that has rocked the global economy over the past year has also had a dramatic impact on Americans' retirement plans.

According to the annual Retirement Confidence Survey, conducted by the Employee Benefit Research Institute Education

and Research Fund, more than a quarter (28 percent) of all workers surveyed in 2009 said the age at which they expect to retire has changed in the past year. Of those, the vast majority (89 percent) say that their expected retirement age has increased. The poor economy (36 percent) and the need to make up for losses in the stock market (28 percent) were the reasons most often cited for postponing retirement.

In addition, 72 percent of workers said they plan to continue working for pay after they retire. This is up from 66 percent in 1999.

Workers who have lost confidence in their ability to secure a comfortable retirement are also responding by taking some steps to improve their situation. The large majority (81 percent) say they have reduced their expenses. Others are changing the way they invest their money (43 percent) and working more hours or a second job (38 percent).



Unfortunately, most workers have little put away in savings and investments to help see them through. According to the survey, 40 percent of workers had less than \$10,000 in total savings in 2009. Not surprisingly, that percentage is higher for younger workers. Among 25-34 year olds, 53 percent had less than \$10,000 in total savings, compared with 30 percent of workers age 55 and over. ...

Financial Market

facts

NOVEMBER 2009

Money market account	1.02%
1-year CD	1.66%
5-year CD	2.65%

U.S. Savings Bonds

EE Bond	1.20%
I Bond	3.36%

Mortgage Rates

30-year fixed rate mortgage	5.09%
15-year fixed rate mortgage	4.59%
5-year adjustable mortgage	4.36%

Source: *The Wall Street Journal*, "Bonds, Rates, Yields," pg. B4, November 28-29, 2009; www.bankrate.com and www.savingsbond.gov, November 30, 2009.

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.

I have student loans. By signing up for automatic withdrawals from my checking account, I was able to obtain a lower interest rate. This also eliminated paper bills, helped avoid late fees, and even saves me postage.

Danielle Delaney, Cedar Rapids, IA

During my entire working career, I worked a second part-time job with all the proceeds going towards investments and savings. Over a lifetime, this strategy resulted in a significant nest egg, and allowed me to retire significantly early.

Louis Price, Loveland, CO

Start a swap group with several families of different ages. Rotating clothes, toys, and books between the families will save lots of money over time. Once all the children are grown, have a huge garage sale and split the proceeds.

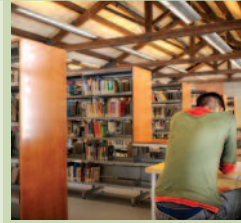
Matthew Alandt, Bainbridge Township, OH

Save money by working out at home and using common household items to work out with. Cans of soup and laundry detergent containers make great free weights, and old pantyhose can be used as a stretch band.

Jennifer Dubbs, Pittsburgh, PA

Every week, I go through the local grocery store ads and make my grocery list based on what's on sale. I shop at one store where they do price matching and use coupons for even more savings. Besides saving money on groceries, I save money on gas by only having to drive to one store.

Debby Drake, King, NC



Contact your local library for information regarding free or discounted passes to local museums and attractions. I was recently able to visit a local museum with my entire family for a fraction of the regular cost.

Judy Tanner, Wakefield, MA

I noticed I spent roughly \$5 each day on breakfast at work. My coworkers and I purchases two boxes of cereal and took turns each buying a gallon of milk every month. Because of my new 'breakfast club', I ended up saving around \$90 every month!

Yolanda Mills, Chattanooga, TN

Are you looking for an effective way to establish a budget? Beginning on the first day of a new month, get a receipt for everything you purchase. Stack and review receipts at the end of the month, and you will clearly be able to see where your money is going.

Rita Smith, Crestview, FL



Send your savings tips to:

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 (the initial purchase price of a \$50 EE Savings Bond) and an application for a \$50 EE Savings Bond. We recommend purchasing a savings bond at a local bank or credit union. Please include your name, address, and phone number so we can contact you.

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 Wachovia Bank 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.

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NEWS

FROM LOCAL CAMPAIGNS

Okaloosa Saves completed its 5th annual "Teach Children to Save" initiative. As part of the initiative, 228 young Savers deposited over \$13,000 and six youths were randomly selected to receive \$100 savings bonds.

Ohio Valley Saves has changed its name to **West Virginia Saves**. In September, the campaign worked together with West Virginia State Treasurer John Perdue in coordinating a Women & Money Conference where they registered about 100 new Savers.

Philadelphia Saves has begun partnering with the Financial Planners Association. In addition, the campaign is using new marketing techniques in its flyers and social networking sites and is expanding its efforts into Delaware County. The campaign plans to offer more than 25 workshops by the end of the year.

Northwoods Saves has successfully completed a Homeownership Counseling class at Neighbor Works Training Institute. This course is laying the groundwork for the campaign's plan to offer homeownership classes to bet-

ter prepare individuals to buy a new home or keep the home they already own.

Kansas City Saves sponsored summer Financial Fitness Fairs at four area YMCA locations and at Independence Center Mall. M&I Bank donated a \$100 Savings Bond that was drawn by one lucky Saver, and over 100 new Savers were enrolled at the events.

Illinois Saves is partnering with the Economic Awareness Council, the State Treasurer of Illinois, the City Treasurer of Chicago, the Federal Reserve Bank of Chicago, Chicago Public Schools, the University of Illinois, 4H and more than 30 statewide organizations to launch Young Illinois Saves in 2010. Preliminary events for this program have already enrolled 100 young savers. **Champaign County Saves** is an active partner in the Young Illinois Saves effort. It began a series of youth-focused workshops targeting 4-H members and families in October.

DC Saves has promoted several financial planning seminars and mini clinics over the summer, providing

assistance to approximately 100 individuals. Participants received a free, 30-minute, one-on-one, no strings attached consultation with a certified financial planner (CFP®). Attendees discussed retirement planning, college funding plans, insurance, taxes, and other financial necessities.

Colorado Saves is piloting a new outreach to potential first-time home buyers over the next six months thanks to funding from State Farm Insurance. Recently, the campaign enrolled over 100 students during freshman orientation at the Community College of Denver.

Black America Saves has signed up several new national partners including Rainbow Push Automotive Forum, National Association for Equal Opportunity in Higher Education, National Congress of Black Women, Howard University, Wiley College, Research Association of Minority Professors, and Phi Beta Sigma Fraternity, Inc. ●●●

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.

www.AmericaSaves.org

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