

American Saver

You Can Build Wealth

Local Campaigns Multiply

With America Saves in its third year, local Saves campaigns continue to multiply. Broad-based coalitions in Phoenix, Atlanta, Chattanooga, Calhoun County (AL), Owensboro (KY), and Okaloosa County (FL) have all recently launched campaigns.

Those six new campaigns join the nine local campaigns that are already operating, and they will soon be joined by another seven to ten campaigns planning to launch in the next four to five months.

Each of the recent launches included a wide representation of community, and even state, leaders. In Phoenix, for example, the state attorney general, treasurer, and corporation counsel all participated in the public announcement of the campaign.

Each launch also had its own distinctive character. In Chattanooga, for instance, the Saves campaign was launched at a minor league baseball game. Fans received a Saves brochure, the mayor and other local leaders announced the campaign before the game, and the scoreboard frequently urged fans to sign up as Savers.

All local campaigns are supported by a diverse group of organizers, including financial institutions, employers, government agencies, faith-based groups, community groups, and non-profit service agencies. All also offer a broad array of free savings services, including motivational workshops, wealth coaching, financial planning advice, no- or low-fee savings accounts, and saver clubs.

America Saves is supporting these campaigns through site visits, publication printing, website development, small grants, and other services. The funding for that support comes primarily from a recent \$100,000 grant from the Provident Corporation.

GEORGIA SAVER

Preaching the Blessings of Saving

Long before America Saves was conceived, Walter Bussey was a one-man savings campaign. He set goals, put aside money regularly, and watched the savings mount up over time. Then he used what he had learned to motivate others to save.

For Mr. Bussey the blessings of saving are a matter of faith. "God helps those who help themselves," he says. In other words, if you want to prosper, you have to do something to make that happen. You have to save. To do that, he tells people, you have to "set a goal that you can reach. If you reach the goal quick, set the goal a little higher," and just keep going.

That is a message Mr. Bussey has shared for years with the young people in his church and more recently as a participant in the Columbus, Georgia pilot project for Georgia Saves. The 75-year-old brings a lifetime of experience to this calling. As a boy, he earned five dollars a week, turned it over to his mother, and got back 25 cents to keep as his own. He saved that weekly quarter until he had enough to buy himself a \$15 bicycle.

Which leads to another of Mr. Bussey's lessons — no amount of money is too small to save. "You can save but a quarter, anything, so long as you save." And he encourages the young people he shares his message with to start young. "If you save a dollar a day," he tells them, "by the time you're 18, you'll be able to pay your own way through college, buy your own car."

Mr. Bussey doesn't just talk the talk. When Georgia started its state lottery in the early 1990s, he told himself, "I'm not going to play that thing. I'm going

to play the Bussey lottery." So he started putting \$1 a day, or \$30 a month, into savings. At the end of the first year, he had \$360. "I said, 'That's pretty good. I think I'll pay \$2 a day in the Bussey lottery.'" That year, he saved \$720. "I went down to the bank and bought a CD for \$1,000."

That got him "motivated into saving," Mr. Bussey said. He set himself two goals. One was to pay his mortgage off early. The other was to save \$20,000 by the year 2000.



"You can save a quarter, anything, as long as you save."

Walter Bussey

"I found good things don't cost very much, and bad things cost a lot," Mr. Bussey said. "So, I eliminated all the bad things." He stopped smoking and "partying" and he started saving \$500 a month. Each month he deposited that money in a \$500 CD, until he had acquired so many, the bank told him he had to start buying his CDs in \$1,000 denominations.

With compound interest, he'd saved \$26,000 by 2000 — thirty percent more than the goal he had set. He also paid a little extra each month on his mortgage, with the result that he paid it off eight years early in 1998.

Retired and debt-free, Mr. Bussey still saves \$300 month. His goal now is less concrete — financial freedom. "I do what I want to do," he said. "I buy what I want to buy. Your last years should be your best."



Financial Market **facts**

October 2003

Money market account	0.51%
1-year CD	1.08%
5-year CD	3.01%

U.S. Savings Bonds

EE Bond	2.66%
I Bond	4.66%

Mortgage Rates

30-year fixed rate mortgage	5.79%
15-year fixed rate mortgage	5.11%
1-year adjustable mortgage	3.94%

Sources: *The New York Times*, "Data Bank," pg. BU 29, October 5, 2003 and www.savingsbond.gov, October 1, 2003.

Family Wealth **facts**

Typical Middle Income Family*

Net Wealth	\$74,000
Net Financial Assets	\$11,000

All Middle Income Families

Don't save	19%
Those who save regularly	40%

*Families with annual incomes between \$20,000 and \$80,000.

Source: Federal Reserve Board 2001 Survey of Consumer Finances.

Savings Strategies Saving During Tough Times

Household incomes have been falling lately, and poverty has risen, according to a recent U.S. Census report. That may help to explain why, in a recent survey for America Saves, half of those surveyed said they were "very worried" or "somewhat worried" about their personal finances.

The survey also found that a third of Americans are not saving. Instead, they are spending all, or even more than, their incomes. For low- and moderate-income households, the percentages of non-savers are much higher.

How can those who currently aren't saving afford to save money? And how can those saving only a little save more? Here are our top ten tips for saving money when budgets are tight.

Cut Spending Fairly Painlessly

Tip 1: To find small savings that add up to big savings over time, keep a careful record of all (and we mean all) of your expenditures for a month. You may be surprised to learn how much you are spending on such things as a daily latte or restaurant meals.

Tip 2: For necessary purchases — such as food and transportation and insurance — comparison shop. The Consumer Literacy Consortium (66waystosavemoney.org) provides good advice from leading consumer experts on how to save money purchasing 28 types of major products.

Tip 3: Restrain spending for birthdays and holidays, especially Christmas. A few well chosen gifts are likely to be more appreciated than a more costly pile of gifts chosen thoughtlessly in a shopping mall foray.

Reduce High-Cost Debt

Tip 4: Payday loans typically charge interest rates of 500 percent, and the interest rate on credit card debts can run 25 percent. You can save hundreds, perhaps thousands, of dollars a year by paying off these high-cost debts. For help, contact a credible non-profit credit counseling agency.

Tip 5: Build an emergency fund to

avoid having to take loans to pay for unexpected purchases. That fund is usually best kept in a savings account, despite the low interest rates such accounts pay right now. But do try to keep a high enough balance in the account to avoid monthly fees.

Save Automatically

Tip 6: Ask your bank or credit union to automatically transfer funds each month from your checking to your savings account. Even as little as \$10 or \$15 a month helps. After all, that's \$120 or \$180 a year.

Tip 7: Put all your loose change in this savings account. For many people, that could add up to well over \$100 a year.

Take Free Money and Save It

Tip 8: Low- and moderate-income workers qualify, each year, for an Earned Income Tax Credit that can put over \$1,000, and often more than \$2,000, in your pocket. IRS Publication 596 explains how to apply, or you can contact your local taxpayer assistance center for in-person help. Then be sure to save at least half of this wind-fall.

Tip 9: Participate in a local Investment Development Account (IDA) program. In return for attending financial education sessions and agreeing to save for a home, education, or business, you typically receive \$2 for every \$1 you save through an IDA program. So, \$25 that you save each month ends up as \$900 at the end of a year.

Tip 10: If your employer matches retirement savings contributions, be sure to take advantage of that. Some employers match up to 100 percent of your contributions. While we encourage letting this money build up until retirement, it can be withdrawn, or borrowed on, to cope with serious emergencies.

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

N*o 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 purchasing bars of soap, buy them on sale at least a month before they're needed (longer if possible). Open them immediately and place them on closet shelves or in drawers. The dried out soap will last twice as long as a fresh bar, and you get the added bonus of an inexpensive air freshener.

ELEANOR GUDMUNDSON
OCONOMOWOC, WI

Whenever I find a product that I really like, I let the manufacturer know by calling the 800 number on the back of the package. They always send valuable coupons worth more than you get in the newspaper. I've done this on everything from cleaning products to food, and it really saves on your grocery bill, especially if you go to a store that doubles the coupons. I've even gotten coupons for free products by mailing suggestions on how to make them better.

SARAH BUREK
LUDLOW, MA

Having paid child support for my four children for a number of years, when they reached the legal age and child support payments ended, I invested the payment amount as though it was money not available to me to spend. I have since used the money to fund college educations for my children and a retirement fund.

KENNY ROBINSON
REDFORD, MI

Ladies, you can save money on shoes by shopping in the boy's section of any shoe department. I was able to purchase a pair of good quality boy's sandals as well as lace-up leather work shoes, both at half the price for comparable women's shoes.

JAN KODISH
MAYFIELD HEIGHTS, OH

I quit smoking to accumulate funds for my son in college. I was smoking about 10 packs a week at \$2.35 a pack. Faithfully, I put \$2.35 in an envelope every day, seven days a week, and the money for an extra three packs on Friday, which is pay-day. It came to \$94 in just four weeks. My son couldn't believe it when I handed him almost \$600 after six months. I haven't smoked since, and that was in 1993.

SHERRY A. KEEFER
MARGATE, FL

Every time I see a toy, book, or card sale, I stock up. All this extra stuff goes into a birthday box, complete with gift wrappings and tape. Whenever my children are invited to a birthday party, they pick from the box, and we are ready to go. Normally, these birthday presents run me almost \$20, but by buying everything on sale, I save quite a bundle.

TRANG PHAN
KIRKSVILLE, MO

In hot weather, close window coverings on the sunny side of the home. In cold weather, reverse this by opening window coverings to let the sun shine in. You would be surprised at the cost of cooling or heating dollars saved.

DARLENE BURGESS
BRIGHTON, MI

I just discovered a great way to save money on beauty services. My local community college has a cosmetology school that offers hair, nail, and skin services performed (on an appointment or walk-in basis) by senior-level students under supervision by its teaching/professional staff. I just got my hair washed, conditioned, cut, and styled for \$10 (plus a \$3 tip), compared with the \$40 a month I usually spend at a salon. That's an annual savings of \$324.

STACY EFFRON TAYLOR
HUNTINGTON BEACH, CA

Fill spaces in your freezer with milk jugs filled with water. (Leave an air gap in the jug for the water to expand when it freezes.) Filled freez-

Send your savings tips to:
American Saver, c/o Consumer Federation of America Foundation, P.O. Box 12099, Washington, D.C. 20005-0999.

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.

ers run more efficiently, and you will always have a supply of ice for your cooler. You'll save money on ice purchases and on electricity needed to run the freezer.

RON PERREMAN
CLINTON TOWNSHIP, MI

As a senior citizen, I pay attention to special offers for my age group. For example, my local grocer offers a 5% senior discount on Tuesday mornings. We buy a gift card on Tuesday morning to get the discount, but we can use the card anytime. So my groceries are all discounted 5%, even those products that never go on sale.

SHAN GRUDEN
LA CRESCENT, MN

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.

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 12099, Washington, D.C. 20005-0999; 202-387-6121 (phone); 202-265-7989 (fax); nregister@consumerfed.org.

American Saver Editor: Barbara Roper

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.

Arizona Saves launched its campaign in September with several national and state dignitaries in attendance. The governor designated September 15 as Arizona Saves Day.

Calhoun County Saves (AL) launched its campaign on September 30, which was proclaimed Calhoun County Saves Day. Officials from the Birmingham Federal Reserve Bank and the Chairman of the Calhoun County Commissioners participated in the event.

Charlotte Saves has enrolled 700 Savers. To further expand its membership, it is kicking off a Faith Community outreach program in partnership with the Central Carolina Collective Banking Group and a coalition of 27 African American churches. The campaign plans to offer workshops and wealth coaching to more than 1,000 people through the churches.

Cleveland Saves is busy planning "Roll Your Change Week," a major community event scheduled for October. Savers will be encouraged to bring their rolled change to over 300 branches of local banking institutions for deposit. The campaign completed a community-wide media blitz in September, featuring radio and print advertisements.

Columbus Saves (OH) is planning to launch its pilot project in January.

A majority of the credit unions in El Paso have committed to participate in **El Paso Saves** by offering low- or no-cost savings accounts to Savers and by promoting the campaign through their branches.

A campaign launch is planned for early 2004. The Columbus test site of **Georgia Saves** continues to train wealth coaches and motivational speakers and to offer programs.

Indianapolis Saves has enrolled 500 Savers. It has raised \$40,000 from the Department of Financial Institutions and Indianapolis Foundation.

Kansas Saves has initiated a pilot workplace education series on Growing Your Money. The campaign, which has received local media coverage, continues to add new coalition partners.

Kansas City Saves participated in the affordable housing and economic development symposium of the 18th annual conference of the Missouri Legislative Black Caucus Foundation. Approximately 200 people attended.

Milwaukee Saves is planning its first community-wide Savers Club event. The campaign is working with the

Internal Revenue Service and the Milwaukee Asset Building Coalition to plan the November event, which will focus on tax preparation and tax credits.

Northwoods Saves (WI) is expanding its member benefits by partnering with a local law firm. In addition to doing segments on wills and trusts on a community television show, the law firm will offer discounts on wills to Savers. Campaign representatives will speak at the local bar association.

Okaloosa Saves (FL) launched its campaign in September, with two local mayors and the members of the Board of County Commissioners present. George Washington and Ben Franklin also made an appearance. The day of the launch was declared Okaloosa Saves Day by the County Commissioners.

With its half-year anniversary approaching, **Philadelphia Saves** has enrolled 500 Savers. The campaign is reaching out to a variety of local organizations to encourage them to offer workshops to their employees.

Tennessee Saves got its statewide effort off to a great start with the launch of Chattanooga's campaign at a sold out minor league baseball game in August. More regional kickoffs are planned, to be followed by a statewide kickoff in early 2004.

www.AmericaSaves.org

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