

American Saver

You Can Build Wealth

Hispanic America Saves Planned

This fall, America Saves will offer a new Hispanic America Saves service that allows Spanish speakers to more easily enroll as Savers.

A grant from Freddie Mac has made possible the creation of a bilingual Hispanic America Saves website and Build Wealth Not Debt brochure. Starting this fall, both will provide basic information about saving and how to save, as well as the opportunity to enroll as an Hispanic American Saver with a wealth-building goal and plan.

Freddie Mac has also begun to add a separate Hispanic America Saves component to its popular and highly regarded Credit Smart Español program.

Funds from the settlement of a lawsuit initiated by the National Consumer Law Center and private attorneys will make possible additional America Saves outreach to Hispanic groups nationally and locally. The litigation charged that Hispanics were being overcharged for new and used car loans.

The work of Hispanic America Saves is being advised by an America Saves Hispanic Advisory Committee. Members of this group include representatives from American Express, Federal Reserve Board, Federal Trade Commission, Freddie Mac, Hispanic Association of Colleges and Universities, MANA, National Council of La Raza, National Federation of Community Development Credit Unions, National Puerto Rican Coalition, and Office of the Comptroller of the Currency.

Local campaigns are already reaching out to Hispanic Americans. For example, El Paso Saves has mobilized credit unions to open up a new branch providing El Paso Saves services to the Colonias. And Charlotte Saves has translated its basic materials into Spanish.

MILWAUKEE SAVER

Moving from Spending to Saving

Patricia Torres has a good job at the University of Wisconsin-Milwaukee and "excellent credit." As a result, however, she also "had the ability to spend, and I took advantage of it," she said. "I always thought of spending, not saving."

Two things happened about a year ago to change that. The University's Center for Urban Initiatives and Research, where she is an assistant director, became involved in planning for a Milwaukee Saves campaign. That got her thinking about saving.

Separately, she met with a financial advisor, who walked her through a review of her financial situation. What quickly became apparent, she said, was that she "was just throwing away money." "I charged up a lot," she explained. "You make minimum payments and you don't think about how much debt you have."

When Milwaukee Saves began enrolling Savers as part of its pilot project, Ms. Torres signed up. Relying on advice from her financial adviser, she had begun paying off all her credit cards by dividing her debt into twelve equal payments. She had also started keeping track of exactly how she was spending her money by developing a spread sheet that allowed her to track her spending from month to month. "It really helped me out a lot to see it visually," she said.

It also helped her to identify some areas where she could cut back. That is a message she has been sharing with her 10-year-old son. In one lesson any math teacher would approve of, she had him calculate how much he had spent on Pokemon and other collectible

cards. In addition to teaching him, it was a good reminder for her, she said, that, "Yes, it's good to buy your kids things. But do they really need over 100 of these cards?"

For her Saves goal, Ms. Torres decided to establish an emergency fund, which she did by having money deposited directly from her paycheck each month. As a result, when her refrigerator quit working recently, she was able to pay for it without taking on



"You constantly have to remind yourself that you are on a budget."

Patricia Torres

new debt. And, while it hurt to see her savings depleted, she also took satisfaction that "I don't have a credit card from this furniture store at 18 percent." Now, she's rebuilding her emergency fund and saving to pay for a foreign vacation with her kids.

Getting her spending in check "took some time," she said. "It is one thing to track your spending, it is a whole other thing ... to live within your means." With each new temptation, "you constantly have to remind yourself that you are on a budget."

The Saves campaign has helped keep her on track, she said. "You have professional people coming in talking about saving." It also helped to feed off the energy of the other participants, she said. "Fifty people in a room talking about ways to save ... it's fun and motivational."



Financial Market **facts**

June 2003

Money market account	0.61%
1-year CD	1.09%
5-year CD	2.49%

U.S. Savings Bonds

EE Bond	2.66%
I Bond	4.66%

Mortgage Rates

30-year fixed rate mortgage	5.31%
15-year fixed rate mortgage	4.72%
1-year adjustable mortgage	3.71%

Sources: *The New York Times*, "Data Bank," pg. BU 15, June 29, 2003 and www.savingsbond.gov, June 30, 2003.

Family Wealth **facts**

Typical Hispanic American Family

Net Wealth	\$11,450
Net Financial Assets	\$60

All Hispanic American Families

Those who save regularly	33%
Those who don't save	34%

Source: 2001 Survey of Consumer Finances, Federal Reserve Board

Savings Strategies

Estimate Your Personal Wealth

Many Americans associate wealth only with rich people. But everyone has a net worth figure, though for some it may be negative if their debt exceeds their assets.

That is because wealth is not only the value of stocks and bonds. It also includes the value of workplace retirement savings, home equity, motor vehicle equity, U.S. savings bonds, certificates of deposit, checking accounts, and even the change in your pocket. All this, minus consumer debt, equals your net worth or wealth.

How much wealth do most Americans have? The typical family has net wealth of \$80,000, and most of this wealth represents equity in their home. Only four percent of American households have net worth greater than \$1 million. Unfortunately, the typical low income household, which does not own a home, has net worth of only \$10,300.

We at America Saves believe that an important first step toward building personal wealth is to be aware of your current wealth and the effect of your spend-

ing on this wealth. If you keep in mind your approximate net wealth figure, you are likely to spend a little less and save a little more. For example, instead of spending \$25,000 on a new car, you might spend \$15,000 on a used car and save the difference.

The America Saves Personal Wealth Estimator, which can be accessed from the upper right hand corner of the America Saves website, is designed to help you make those calculations. It can answer two questions. The first is: What are you worth today? To do so, it will take information you supply about the types of assets listed in the box below and calculate your current net wealth.

The Personal Wealth Estimator will also help answer the question: What will you be worth in the future? While the unpredictability of the future makes this figure only a rough estimate, the wealth estimator allows you to build in various assumptions about additional savings, interest rates, rates of return, and other factors. That permits you to project a number of different financial scenarios.

PART 1: ESTIMATING YOUR CURRENT NET WORTH

FINANCIAL ASSETS

Bank or Credit Union Checking or Savings Accounts	\$ <input type="text"/>
Certificates of Deposits and U.S. Savings Bonds	\$ <input type="text"/>
IRAs	\$ <input type="text"/>
Stocks and Mutual Funds	\$ <input type="text"/>
Workplace Retirement Plan	\$ <input type="text"/>
Life Insurance	\$ <input type="text"/>

NON-FINANCIAL ASSETS

Current Market Value of Houses and Other Real Estate	\$ <input type="text"/>
Current Value of Cars, Trucks and Recreational Vehicles	\$ <input type="text"/>
Current value of Other Goods (boats, motorcycles, furniture, appliances, etc.)	\$ <input type="text"/>

DEBTS

Balances Owed on Installment loans	\$ <input type="text"/>
Balances Owed on Credit Card	\$ <input type="text"/>
Remaining principle on First Home Mortgage	\$ <input type="text"/>
Amount owed on Second Home Mortgage or Home Equity Loan	\$ <input type="text"/>
Balances owed Loans from Retirement Plan	\$ <input type="text"/>
Other Debts	\$ <input type="text"/>

[Click here to calculate Your Current Net Worth](#)

Your Current Net Worth

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.

Gardeners can save money on plants by looking for plant exchanges that let you trade perennials for free. Garden clubs do this a lot in spring. Even if you don't have plants to exchange you can go anyway, because most gardeners bring extra.

BEE JONES,
BROWNSBURG, IN

You can save money by changing your clothes washing habits. For your wash cycle, never use hot water, only warm if you need it. Except for towels and sheets, I always use cold wash/cold rinse. You don't have to use the maximum amount of minutes for the wash cycle. Eighteen minutes is the normal first setting. I never use more than 12. These small changes over time save on your hot water needs and utility bills.

JILL CUBBERLEY
YUCAIPA, CA

Save a tremendous amount on your energy bills by purchasing a couple of inexpensive clothes drying racks. Place the clothes on the racks over the heating/air ducts until they are about 90 percent

dry. For soft clothes, finish drying them in the electric/gas dryer.

PHILLIP JONES
CAMDEN, TN

Instead of calling in a pizza order every Friday night, I save \$8 a week (\$416 a year) by making pizza using frozen bread dough, bottled pizza sauce, and my favorite toppings.

EILEEN CIANCE
WILTON, NY

Everytime I get any type of raise I put all or part of it towards a savings bond. It really builds up fast.

KATHY LUSHER
SUDELL, LA

I purchase the Sunday newspaper for \$2 and get the money back by clipping coupons from it, which usually total at least that much. Don't like to clip coupons? Then have your son or daughter clip them for you and give them half the savings. Not only does this allow them to see how you save, it allows them to make money to save as well.

DANA FINCH
AUSTELL, GA

Volunteer at your local theater. I spend very little on entertainment because I usher at our local art-house cinema and live theater. I am then able to see the films and

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.

performances without charge. And I even get free parking.

CATHIE MCINTYRE
DURHAM, NC

One way to save money on your water bill and still water your flowers and shrubs is to place a bucket in the shower to catch the cold water before it warms up enough for you to enter the shower. That way, water that would just be going down the drain can be used for container gardening or other plantings.

BARB BAKER
FREEDOM, NY

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 Foundation (CFAF), supported by the Bank of America Foundation and other funders, 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 CFAF, 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

Free Financial Planning Available

Another service available to Savers is free financial planning advice from Certified Financial Planners who are members of the Financial Planning Association.

Savers who call 1-800-645-6340 or email supportline@fpanet.org communicate with a specialist who will forward questions to a planner. Planners are prepared to answer questions in English or Spanish about a broad range of issues, including budgeting, debt management, stocks, bonds, and annuities, insurance, employee benefits, tax planning, retirement planning, and estate planning.

In May, Consumer Federation of America and the Financial Planning Association released a survey that indicates a growing number of Americans are worried about their personal finances. More information about the survey is available on the America Saves website.

News

FROM LOCAL CAMPAIGNS

Tennessee Saves is training wealth coaches and motivational speakers in July. **Chattanooga Saves** plans to kick off with a Chattanooga Saves Day at a minor league baseball game in August. They will give away U.S. Savings Bonds each inning as well as Chattanooga Saves piggy banks for attendees.

Philadelphia Saves launched their campaign in April with the president of the Federal Reserve Bank of Philadelphia, community financial leaders, and Savers all attending. In true Philadelphia spirit, Benjamin Franklin and George Washington were also in attendance.

Owensboro Saves (KY) is counting down to their launch with a test being conducted this summer.

Ocala Saves (FL) began its pilot this spring. They started with a motivational workshop for employees of the library.

Northwoods Saves (WI) has its own segment on a local TV show called MoneyWatch.

Milwaukee Saves launched their campaign in May with a public ceremony at City Hall attended by the Mayor of Milwaukee and 100 Savers, followed by a reception at M&I Bank.

Kansas City Saves is working on broadening its community coalitions.

Indy Saves got a real boost from excellent recent articles in the *Indianapolis Star*, which resulted in many new Savers enrolling.

Guam Saves plans to launch in mid-September with a public ceremony. The Bank of Guam is a strong supporter of the campaign.

Columbus and Ft. Benning Saves launched in May as part of **Georgia Saves**. The commanding officer of Ft. Benning and his wife were the first to sign up as Savers.

Gadsden County Saves (FL) continues to reach out to potential Savers through home ownership seminars and classes.

El Paso Saves continues to plan for their test, which will be conducted this summer.

In addition to Georgia and Tennessee Saves, Cooperative Extension-led statewide campaigns are going strong in Pennsylvania, New York, Kansas, and Missouri. In Kansas, five counties are developing community-wide campaigns.

Cleveland Saves has started a major community-wide marketing campaign with radio ads, posters, and flyers. This has resulted in new Savers enrolling and in an increase in website visitors.

Charlotte Saves has developed a model for wealth coaches that combines the motivational workshop with an opportunity for Savers to talk with the coach immediately following the workshop. This has been successful enrolling more Savers.

Calhoun County (AL) has begun their test prior to a planned fall launch. Their goal is to enroll 200 Savers during the test phase.

Arizona Saves has recruited over 50 volunteers to work on the campaign, which will be launched this fall.

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