

American Saver

You Can Build Wealth

Black America Saves Launched

America Saves has joined forces with BET.com to encourage and assist African Americans to save and build wealth through a new Black America Saves campaign.

The initiative was launched to try to close the wealth gap that leaves black households lagging behind other American households.

According to a study released by Consumer Federation of America and BET.com in August, the typical black American household has less than one-quarter the net wealth of typical American households overall. Furthermore, the gap - \$15,500 in net wealth for black households compared with \$71,700 for American households overall - is much greater than the median income gap between such households.

The new campaign revolves around membership in America Saves for those who submit a saving goal and a plan for reaching that goal. BET.com is promoting the campaign on the Black Entertainment television network, and it has added a Black America Saves subpage to its website. There visitors can learn about the campaign, get free information about savings strategies and options, calculate current and future household wealth, and enroll in the campaign.

The two organizations are also distributing a Black America Saves pamphlet to hundreds of thousands of black Americans.

"Our goal is to utilize the power of the Internet and the reach of the BET network to provide black consumers with the tools to make informed decisions about spending, savings, and building wealth," said Debra L. Lee, President and COO of Black Entertainment Television (BET).

The campaign has gotten off to a fast start, with more than 2,000 Black American Savers enrolled as of the end of November.

CLEVELAND SAVER

Saving to Change her Life

Since enrolling in Cleveland Saves about a year and a half ago, Melony Butler has bought a house and a car. She paid cash for everything she bought to furnish the house except her appliances, and those she paid off early. In the process, she said, she has become "a more complete, more satisfied person."

Ms. Butler's transformation began when she became a Dress For Success Cleveland client and started attending their job retention program, Professional Women's Group. That program's presentation on personal finances helped her to realize that she could change her situation. "It's all about what you want. When you want more, you will do what it takes to get more," she explained.

Hearing speakers from Consumer Credit Counseling prompted her to take an inventory of her financial situation and to focus on practical things she could do to save money. A meeting with a Cleveland Saves wealth-building counselor helped her assess her situation and make sure she was on the right track.

So she set up an automatic payroll deposit into a savings account where she wouldn't be tempted to spend it. Like many Savers, Ms. Butler also collects her spare change — \$300 so far. She cut down on unnecessary expenditures, and she stopped buying her lunch every day at work and started brown bagging it.

With simple steps like these, her savings quickly began to grow. "It seemed so simple once I started doing it," she said.

Her advice for other Savers? "Make sure when you find some savings, you actually tuck it away somewhere. If you keep it in your pocket, you'll spend it." Also, "be prepared to make sacrifices. You know that you can't go to every concert and every show, because you're trying to get somewhere." Setting a goal and concentrating on that helps, she said, because you know "it's not going to be forever."



"It seemed so simple once I started doing it."

Melony Butler

What she's gotten from Cleveland Saves, she said, is "direction and reinforcement." When you don't have the information you need, you "feel stuck in a negative mode," she said. Cleveland Saves "offered me release from being stagnant. It offered me freedom of choice."

"Maybe I wouldn't have sought out the information," she added. "It came to me." That is important, she said, "because you don't know that you don't know until someone makes you aware."

Having recently attended a Cleveland Saves seminar on managing credit wisely, Ms. Butler's new aim is to "have more of a cushion of savings" and to pay down her credit card debts and improve her credit score. "My thing now is to really work on my stewardship," she said.



Financial Market **facts**

December 2002

Money market account	0.83%
1-year CD	1.51%
5-year CD	3.26%

U.S. Savings Bonds

EE Bond	3.25%
I Bond	4.08%

Mortgage Rates

30-year fixed rate mortgage	6.19%
15-year fixed rate mortgage	5.64%
1-year adjustable mortgage	4.43%

Sources: *The New York Times*, "Data Bank," pg. BU 17, December 1, 2002 and www.savingsbond.gov, December 1, 2002.

Family Wealth **facts**

Black American Households

Net Wealth

Typical Household	\$15,500
Below \$10,000	45%

Spending

More than income	24%
Less than income	37%

Saving

Don't Save	32%
Save regularly	34%

Source: 1998 Survey of Consumer Finances, Federal Reserve Board, analyzed by Professor Catherine P. Montalto and Stephen Brobeck.



The America Saves website (www.AmericaSaves.org), and websites developed by local campaigns such as Charlotte Saves (www.CharlotteSaves.org) and Cleveland Saves (www.ClevelandSaves.org), are fast becoming an essential information source for Savers and for those working on savings issues. Up and running since March, the America Saves website alone now receives several hundred thousand hits monthly.

INFORMATION FOR SAVERS

The website includes several types of information aimed at Savers.

Practical information on how to build personal wealth includes:

- successful savings strategies;
- tips on how to find money to save; and
- information on how interest compounding multiplies savings dollars.

There is also information about how America Saves and local campaigns can help Savers. This information is found in sections on "Who We Are," "What We Do," and "Benefits of Becoming an American Saver." Individuals can even enroll as an American Saver on-line.

Two unique services for Savers can be accessed from the upper right corner of the website — a personal wealth estimator and free financial advice.

The personal wealth estimator allows anyone to calculate confidentially what they are likely to accumulate at their current rate of savings (or how much more they might accumulate if they increased their savings rate even slightly).

Only enrolled Savers can use the free financial advice service. This service is provided either on-line or

over the telephone by certified financial planners who belong to the Financial Planning Association. It is described in more detail on the website.

The website also contains all issues of the America Saves newsletter. Each issue includes a saver profile and news about the national and local campaigns as well as an article on a key savings strategy and tips on how to save money from Savers.

INFORMATION FOR SAVINGS ACTIVISTS AND EDUCATORS

The America Saves website also includes information of value to savings activists and educators.

For those who want to support or organize a local campaign, there is a list of existing campaigns with contact information and a manual on how to organize a local savings initiative.

For those who want information on savings research, there are lengthy summaries of recent studies on savings topics. There are also links to other organizations that make the results of important savings research available.

So, if you haven't already done so, you should check out the America Saves website and see what it has to offer for you.

Resources

In addition to America Saves, two local campaigns and Black America Saves already have their own websites. Several other local campaigns are in the process of developing websites.

Currently available are:

- www.AmericaSaves.org
- www.ClevelandSaves.org
- www.CharlotteSaves.org
- www.BET.com

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.

Think you don't have enough money to participate in your retirement plan? If you generally receive a tax refund, reduce the amount that is withheld from your paycheck. This will free up money to put in your retirement plan. Because your contributions will be "tax deferred," you will lower your taxable income. If your employer matches your contributions, you double your money automatically.

LISA PIERCEFIELD
COLUMBUS, IN

A hobby or special interest can be a source of savings. Our hobby is gardening. By planting our favorite vegetables, we have extra-fresh produce and save money at the grocery store. We also dry,

freeze, and can to preserve vegetables for eating during the winter and save even more.

JOAN LEFEBVRE
EAGLE RIVER, WI

I bring my own soda and snacks to work with me every day to avoid paying premium prices from a vending machine or convenience store. I save up to a couple of dollars each day.

RYAN T. LONDRIGAN
GRAND BLANC, MI

I keep a column in my checkbook for credit card charges, and I subtract them from my balance the same way I do debit transactions. That way I know I have the money set aside to pay the charges when the bill comes, and I'm not tempted to over-spend.

SASHA JOHNSON
SEATTLE, WA

My wife and I plan a menu on a bi-monthly basis and write a grocery list from the menu. When we shop for groceries, we buy only what is on

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.

the list. This prevents us from impulse buying and keeps us from eating out when we think that "there is nothing in the house to eat."

TODD HAYNIE
THATCHER, AZ

When using automatic payroll deposit to a savings account, start with a small amount and increase the amount gradually over time. This way you can adjust to spending less money and build up savings at the same time.

ANGELA DIMAURO
CLEVELAND, OH

Savings**Quiz**

1. *True or False? Anyone can enroll as an American Saver through the America Saves website.*

True. Anyone can join by filling out the on-line form under "Sign Up Here" that's part of "Be An American Saver!" Just identify a wealth goal and a plan to achieve this goal.

2. *True or False? Anyone can estimate their current or future wealth using the America Saves website.*

True. By going to the Personal Wealth Estimator in the upper righthand corner of the home page, you can calculate your current net worth and estimate your future wealth.

3. *True or False? Anyone can receive free financial advice from a certified financial planner through America Saves.*

False. To receive this free advice, one must enroll as an American Saver, a Black American Saver, or a local campaign Saver. Savers can learn about this free service by going to "Get Unbiased Help from America Saves and the Financial Planning Association" in the upper righthand corner of the home page.

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

News

FROM LOCAL CAMPAIGNS

Washington Saves plans to begin its pilot program in early 2003 and has scheduled a campaign launch later in the spring.

Cooperative Extension programs and others are planning local campaigns in Memphis, Chattanooga, and Nashville as part of **Tennessee Saves**.

Philadelphia Saves (PA) begins training motivational speakers and wealth coaches in mid-December, with plans to launch a pilot program in early 2003.

Owensboro Saves (KY) is planning a local campaign that will serve as a model for Kentucky Saves. State Treasurer Jonathan Miller has announced that the organization of the state campaign will be a major initiative of his office.

Okaloosa Saves (FL) has continued planning its campaign by training motivational workshop presenters and wealth coaches.

Northwoods Saves (WI), which has enrolled 100 Savers, recently organized a tri-county campaign board to help coordinate the campaign.

Milwaukee Saves (WI) is completing planning on a pilot program the goal of which is to enroll 1,000 Savers by May 2003.

Kansas City Saves, which has enrolled nearly 1,400 Savers, is helping Cooperative Extension programs throughout Missouri and Kansas to organize their own savings programs.

Indy Saves (IN) hired a program coordinator who is organizing workshops, planning presenter and wealth coach training, and working with volunteers on a website. The campaign has enrolled 200 Savers.

Georgia Saves, which is being organized by Cooperative Extension through the Georgia Consortium for Personal Financial Literacy, announced the campaign at a November consortium meeting held at the Federal Reserve Bank of Atlanta.

Gadsden County Saves (FL) has persuaded three local financial institutions to offer savings accounts with no minimum balances or fees. Working mainly with individuals one-on-one, the

campaign has enrolled more than 80 Savers.

Housing, community, Hispanic, and government groups are organizing an **El Paso Saves** (TX) pilot program that is scheduled to be launched in early 2003.

This fall, **Cleveland Saves** (OH) tested a seminar series on topics ranging from debt management to retirement planning. By the time nearly 200 Savers and their friends and family had participated in the second annual Celebration for Savers, more than 2,400 Cleveland-area residents had enrolled as Cleveland Savers.

Charlotte Saves (NC) has enrolled 355 Savers through its pilot program. The Charlotte Chamber of Commerce has begun partnering with the campaign through its Standard of Living Task Force.

Representatives of banks, utilities, employers, housing groups, and Cooperative Extension met to begin planning **Calhoun County Saves** (AL).

Arizona Saves is planning an early 2003 launch of a pilot program.

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