

Starting Over



MICHAEL LINDMAN –
IOWA SAVER

Until last summer, Michael Lindman spent money freely. “I was a union truck driver for 35 years and had a good income,” said Lindman. “I owned my own home, saved a little, and

tried to live within my own budget. You always think there’s going to be that much coming in, but things can change in a split second.”

The change for Michael began when he was laid off. Luckily Michael had three months’ salary saved for just this kind of emergency. In July, however, disaster struck. Michael was hospitalized for surgery, then complications required a second sur-

gery. With his savings depleted, he couldn’t pay his medical expenses, mortgage, or other bills. In addition, he couldn’t work while he was recovering.

That’s when Michael found Iowa Saves. Michael got one-on-one coaching from an Iowa Saves coordinator who helped him find ways to decrease his mortgage payment and got him hooked up with food stamps. “I don’t know where I would be without the help of those at Iowa Saves,” said Lindman. At their suggestion, he took a financial education class—which helped him figure out other ways to cut down expenses—and a career readiness program that got him interested in school. With the help of student loans and grants, he then completed a one-semester building maintenance

program at Des Moines Area Community College. He even made the Dean’s List.

In the past eight months, Michael has restructured his finances and focuses on saving for the future. “I’m now seeing the light at the end of the tunnel. The first thing I’m going to do is get my emergency fund back on track again. It will take a little time, but it starts a little at a time. Even if it’s just \$5 a week—it adds up.” ••••

facts

Family Wealth

2011 Retirement Confidence Survey Results

- Only half of survey participants say they are confident they will be able to reach their retirement savings goal
- Only 6 in 10 say they are currently saving for retirement

Source: Employee Benefit Research Institute and Mathew Greenwald & Associates, Inc., 2011 Retirement Confidence Survey

CAMPAIGNNEWS

There When You Need Us



Check it out!

America Saves is pleased to announce that we now have mobile friendly pages. With these new features you can easily join AmericaSaves.org and find advice, tips, and stories to help you save wherever you are—right from your mobile phone.

America Saves Joins SaveUp to Give People a Rewarding Way to Save

Because America Saves is committed to finding innovative ways to help you succeed financially, we have teamed up with SaveUp, a new financial rewards program that rewards Americans for saving money and paying down their debts. With SaveUp, every time you make a deposit in your own savings account or make an on-time payment on your own loan you get chances to win real prizes. Register today at www.saveup.com/AmericaSaves and earn 100 bonus credits for being part of America Saves.



Solving America's Savings Challenge

Helping Americans Get on Track to a More Secure Financial Future

The following is an excerpt from remarks by Ronald P. O'Hanley, President, Asset Management and Corporate Services, Fidelity Investments, who spoke at the National Forum to Encourage Lower-Income Household Savings in October.



"The size and seriousness of America's savings challenge is widely recognized. Now is the time to get more serious about solving it."

American workers are facing challenges on all fronts—a persistently weak jobs market, declining housing prices, rising food and health care costs, \$3.50 per gallon gas, and the daunting challenge of making ends meet today while saving for tomorrow. Even more disturbing is that one-third of all American households have no retirement savings beyond Social Security.

The weak economy and volatile financial markets have left many Americans unsure how to address their financial goals. Many have lost confidence in their ability to save. They feel overwhelmed by the challenge—so they don't even try. We need to help Americans navigate their way through these difficult times and get them on track to a more secure financial future.

Here are four simple steps that could help Americans increase savings and retirement readiness:

1. Preserve existing IRA and workplace retirement programs. These plans offer efficient, convenient, and effective ways to save for retirement. We need to preserve incentives that are helping Americans save for retirement.
2. Expand the Saver's Credit and make it refundable. The Saver's Credit is a non-refundable tax credit available to eligible taxpayers who contribute to employer-sponsored or governmental retirement plans, or Traditional or Roth IRAs. It's a great benefit, but because it is a tax credit, it's not available to anyone who doesn't have federal tax liability. Making the Saver's Credit refundable would be a powerful incentive for some 45 million low- and middle-income tax filers who do not have any federal tax liability.
3. Automate the saving process. Automatically enrolling in savings programs and automatically increasing future savings produces powerful results. A fundamental principal of behavioral economics is that once a decision is made, chances are people won't take action to undo that choice.
4. Give investors financial education and guidance they can trust. The continued uncertainty in the markets, in Washington, and around the globe has investors more confused than ever about what to do. We must ensure that Americans have easy access to financial education and guidance, and that any public policy initiatives in this area not cause unintended consequences by restricting such services.

The size and seriousness of America's savings challenge is widely recognized. Now is the time to get more serious about solving it. Success will require the coordinated efforts of all concerned—government, employers, financial institutions, consumer groups, the media, and most importantly of all, individuals.

Financial Market

facts

Money market account	0.14%
1-year CD	0.33%
5-year CD	1.20%

U.S. Savings Bonds

EE Bond	0.60%
I Bond	3.06%

Mortgage Rates

30-year fixed rate mortgage	4.02%
15-year fixed rate mortgage	3.38%
5-year adjustable mortgage	2.97%

Source: The Wall Street Journal; BankRate.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 favorite savings tips.

I make sure every time I get a new prescription to look at the drug company's website. More and more companies offer consumers substantial out of pocket savings. Some have a one-time use coupon, while others offer a yearly discount. I saved 70% in out of pocket payments last year just by looking on the internet!

Harvey Kivel, Tucson, AZ

I met a woman in a grocery store parking lot who was driving my dream car. She told me to put every \$5 dollar bill I got in a box and said I would be amazed at how much I could accumulate. Not every \$5 bill made it to the box, but I never took any out. Recently, I had some additional monthly bills and needed money quickly. I made the decision to use the money saved in my \$5 box. I had been saving for about a year and was stunned to find that my box held over \$500 dollars!

Diane S. McCorkle, Columbus, Ohio

I purchased a savings bond for each of my nieces and nephews shortly after their birth for their future wedding gift. In my situation, I purchased a \$500 savings bond for the price of \$250. Recently, I attended two family weddings and presented the savings bond as the wedding gift. Both bonds ended up being worth over \$900 and were very much appreciated by the newlyweds!

Eileen M. Koney, Naperville, IL

My husband and I like to save our change in a plastic container. Every three months we roll our coins. We take our rolled quarters and save them for our camping trips. The rest of our change is rolled and put into a savings account for our granddaughter. She now has over five hundred dollars, and she is only three years old.

Roberta Lane, Virginia Beach, VA

We only turn our hot water heater on about 45 minutes before we want to take a shower. If we know we're going to need extra hot water for dishes, etc. we'll keep it on a little longer past our shower. Otherwise it's off at the breaker switch. It's reduced our electric bill considerably each month!

Cathy Norris, Tampa, FL

I maintain sub-bank accounts for my most important budget items. Each month I transfer \$500 into a grocery account with a separate ATM card. Now I know exactly how much I spend on food any given month. It's a lot easier to manage food expenses that way.

Jenny Kuykendoll, Boise, ID

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 (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.

This tip has helped us save the most: "Don't spend." We were living in debt because we always spent more than we made and had nothing to show for it. To make it fun for the kids and also take the sting out of our budget, we made it into a game. We have been able to save almost half our income now that we purchase only necessities.

Allison Planthaber, Barnegat, NJ

Financial Freedom Recipe

INGREDIENTS:

*1 Minimum Payment (adjust to taste)
1 Extra Payment*

DIRECTIONS:

Pay minimum on all debts except lowest debt amount. On that one, pay as much extra on it as you can, till that debt is gone. Then work on next highest debt, paying extra on it until it is gone. Repeat, until all debts are gone.

If oven gets too hot (i.e. emergency), then use the "extra" payment for the emergency that month. Be sure to get back on track with extra payment the next month.

When each debt is paid, celebrate by serving up a slice of Financial Freedom!

Dawn Hamsher, Letterkenny Army Depot



West Virginia Saves has enrolled approximately 100 new savers at several recent fairs and outreach events. In September, campaign volunteers met with the Northern Panhandle EITC/VITA coalition to begin making plans for the upcoming tax filing season. The campaign plans to encourage families and individuals throughout to become a West Virginia saver when they file their tax returns for 2011. All who register will receive a pink piggy bank.

Utah Saves is working with Utah United Way to offer individuals who call the 2-1-1 information and referral line for holiday assistance an opportunity to speak with a Utah Saves representative to discuss ways to help them save, reduce debt and create a money action plan. Utah Saves has also partnered with various financial institutions to offer classes about responsible credit habits, building credit and credit scoring in conjunction with the American Bankers Association's Get Smart About Credit program. Currently, Utah Saves is busy planning events for Utah Saves Week and reaching out to organizations to raise awareness and encourage participation.

The **Texas Saves campaign**, led by OpportunityTexas, just published a guide that outlines best practices for operating projects at VITA sites that promote tax-time savings.

Northwoods Saves will now be offering one-on-one counseling for pre-purchase home ownership. This two-part, six-hour counseling session will include the Neighborworks workbook Realizing the American Dream, which fulfills the counseling requirements for most loans. The fee for the counseling

session is an allowable fee that can be rolled into your normal closing costs with most loan products and down payment assistance programs. (Call (715) 365-2752 for current rates.) You can support Northwoods Saves at no cost to you by downloading our customized toolbar. Every time you search using the toolbar, Northwoods Saves receives a donation.

Okaloosa Saves recently completed their Teaching Children to Save program. Youth were asked to set a savings goal and make a deposit into a savings account (which makes them Okaloosa Savers). In 2011, 286 youth in Okaloosa deposited \$26,503.25 into savings accounts. Since the program began in 2004, youth deposits have totaled \$201,000.91! Seven youths were randomly chosen to receive \$100 savings bonds this year, thanks to sponsors. Okaloosa Saves is also busy getting ready for their Eco-Nomic Living Expo in February 2012 for Saves week. Visit the new website for the event.

Greater Cincinnati Saves has been expanding its use of social media. This fall, savers have been signing up through Facebook and Twitter, as well as through traditional workshops. In addition, savers receive daily tips and savings strategies through "Greater Cincinnati Saves" on Facebook and on Twitter.

First State Saves offered over 10 different Money School classes on savings this fall. The "Friends Don't Let Friends Drown in Debt Campaign" resulted in 121 calls to the toll-free hotline and meetings with a Certified Credit Counselor. In addition, 71 individuals called or met with a Financial Coach.

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 Editors:
Katie Bryan and Barbara Roper*

Over the past three months, First State Saves offered "train the trainers" programs for nonprofit leaders on college planning, personal lending, Money Clubs, saving and budgeting. Connect with First State Saves on Facebook.

The **Chattanooga Tennessee Saves** campaign is partnering with the United Way and Consumer Credit Counseling Service to train non-profits, faith based organizations, and government agencies who work with financially distressed families. Participants receive Tennessee Saves enrollment kits to provide to clients seeking emergency services and financial assistance. The collaboration is funded by a FINRA Foundation grant.