

# Build Wealth Not Debt

*Become an American Saver*



**AmericaSaves**  
*You Can Build Wealth*

[www.AmericaSaves.org](http://www.AmericaSaves.org)



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*You Can Build Wealth*

America Saves® is a national campaign involving hundreds of non-profit, government, and business organizations. Initiated by the non-profit Consumer Federation of America, the campaign seeks to persuade more Americans to save and build wealth effectively.

Visit our website at [www.AmericaSaves.org](http://www.AmericaSaves.org)

## Who is an American Saver?

Anyone who agrees to work toward a savings goal such as home ownership, school tuition, retirement, or even debt repayment. American Savers set a monthly savings goal of as little as \$10 then try to save this amount each month.

## How do I become an American Saver?

Complete the "I Want to be an American Saver" form on the last page of this brochure. Send it to America Saves®, by mail at P.O. Box 12099, Washington, DC 20005-0999, or by fax at (202) 797-9093. Or enroll online at [www.AmericaSaves.org](http://www.AmericaSaves.org).

## *Achieve Your Financial Goals and Peace of Mind*

### Why Should I Save?

- To provide funds for emergency expenditures.
- To afford a home, education, investments, or other products that will help improve your life-time standard of living.
- To gain peace of mind.

### What membership benefits are available to me at no cost?

- An enrollment card.
- The *American Saver* newsletter, which will be mailed or e-mailed to you four times a year.
- A factsheet on different types of savings accounts.
- Free advice from a certified financial planner.

### So what does all this cost me?

No money. Your only obligation is to develop a specific savings goal, select an account, make a deposit in this account each month (or make a debt payment), and let us know that you are working toward your savings goal.

### Who controls my savings account?

You do. You open the account in your name. We only advise and encourage.

### Who is sponsoring this program?

America Saves® is managed by the non-profit Consumer Federation of America and advised by nearly 50 national non-profit, government, and business groups. Local savings campaigns involve hundreds of consumer and community groups, churches, social service organizations, employers, unions, financial service providers, and government agencies.

### How are program expenses being paid?

Through grants from national and local foundations. This brochure was made possible by a grant from Providian Financial.

# Easy Ways to Save and Build Wealth

## 5 Key Savings Strategies

**1 Pay off high-cost debt.** The best investment most borrowers can make is to pay off consumer debt with double-digit interest rates. For example, if you have a \$3,000 credit card balance at 19.8% interest, and you pay the required minimum balance of 2% of the balance or \$15, whichever is greater, it will take 39 years to pay off the loan. And you will pay more than \$10,000 in interest charges.

**2 Buy a home and pay off the mortgage before you retire.** The largest asset of most middle-income families is their home equity. Once these families have made their last mortgage payment, they have far lower housing expenses. They also have an asset that can be borrowed on in emergencies or converted into cash through sale of the home.

**3 Participate in a work-related retirement program.** Many employees turn down free money from their employer by not signing up for a work-related retirement program such as a 401(k) plan. If they did participate, with a dollar-for-dollar match they would likely receive an annual yield of greater than 100% on their investment.

**4 Outside of work, save monthly through an automatic transfer from checking to savings.** These savings will provide funds for emergencies, home purchase, school

tuition, or even retirement. Almost all banking institutions will, on request, automatically transfer funds monthly from your checking account to a savings account, U.S. Savings Bond, or stock mutual fund. What you don't see, you will probably not miss.

**5 Earn at least 4% on some certificates of deposit (CDs) and U.S. Savings Bonds.** Some CDs from a bank or credit union, and U.S. Savings Bonds pay a yield of at least 4%. Both the CDs and bonds are insured or guaranteed by the federal government.

## Finding Money to Save

Tip	Monthly Saving
Save \$.50 a day in loose change	\$15
Cut soda pop consumption by one liter a week	6
At work, substitute one coffee for one cappuccino	40
Bring lunch to work (saving an estimated \$3/day)	60
Eat out two fewer times a month	30
Buy grocery store brands	10
Eliminate premium cable channels	20
Use fewer phone features	10
Borrow, rather than buy, one book a month	15
Comparison shop for gas (saving an est. \$.25/gallon)	4
Maintain checking account minimum to avoid fees	7
Pay credit card bill on time to avoid late fee	25

## Watch Your Savings Grow

### the "Miracle" of Interest Compounding

Few people get rich from their wages alone. But by taking advantage of the "miracle" of compound interest — earning interest on your interest — almost anyone can reach long-term financial goals.

**By saving as little as \$50 a month, you can build considerable savings.**

The chart tells the story.

Save \$50 a Month  
With a 5% Yield



\* \$24,000 principal and \$52,301 interest.

# Yes

I Want to be an American Saver

All personal information will be treated confidentially.

I agree to work toward the following savings goal (e.g., home ownership, emergency fund, retirement) \_\_\_\_\_

by saving \$\_\_\_\_\_ a month for \_\_\_\_\_ months in the following institution and type of account \_\_\_\_\_

to which I will make deposits by (method) \_\_\_\_\_

starting (approximate date) \_\_\_\_\_

Or,

I will add \$\_\_\_\_\_ a month toward repayment of my debts.

I wish to enroll and receive benefits online. Enroll at [www.AmericaSaves.org](http://www.AmericaSaves.org)

I wish to enroll by fax or mail, and receive benefits by mail. Complete from below and fax to (202) 797-9093 or mail to America Saves, P.O. Box 12099, Washington, D.C. 20005-0999

Signature \_\_\_\_\_

Name \_\_\_\_\_  
(please print first and last name)

Address \_\_\_\_\_

E-mail (optional) \_\_\_\_\_