

## **“America Saves Week” Offers Assistance to the Financially-Troubled**

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Despite concerns of some Washington policymakers about cutbacks in consumer spending, it is not the responsibility of financially-troubled Americans to increase purchases, nor is it wise for them to do so. Roughly one-third of Americans who say their financial condition is poor or fair should take steps to stabilize their finances.

Now that Congress has approved a stimulus package with payments to most households, financially-stressed Americans should consider using any new funds to pay down high-cost debt and add to savings. That will help them not only cover unexpected expenses like car repairs and doctor visits, but also protect against any income losses. Over the long-term, as the financial condition of American households grows stronger, so will an economy plagued by fewer personal bankruptcies and mortgage foreclosures.

America Saves Week, which Monroe County Extension and other organizations are participating in, can help consumers improve their financial situation. During the week beginning February 24, hundreds of national, state, and local organizations are urging and helping Americans assess their financial condition and make any needed improvements.

Nationally, useful tools can be found on the new America Saves Week Web site ([www.americasavesweek.org](http://www.americasavesweek.org)), which includes a "savings checklist" and easily accessible information about how to pay off high-cost debt, save effectively for emergencies and for retirement. It also references an America Saves personal wealth estimator, which has shown many users that they had more net wealth than they had assumed, and how the "miracle" of interest compounding can help most families build six- or even seven-figure assets over time.

Locally, Monroe County Extension has been offering activities focused on savings needs ranging from debt repayment to budgeting retirement. For example, we are working with the AARP to reach people through free-tax preparation sites to maximize their refunds. Monroe County High Schools will begin offering Financial Literacy in the classroom, thanks to a partnership forming between Superintendent Randy Acevedo's staff and the UF/IFAS/Monroe County Extension Service.

For years, Valeria Johnson knew she should be saving. Working in a bank, she even had a savings account. But she rarely kept more than a few dollars in it. "I just never took saving seriously," she said. Like many of us, she lived paycheck to paycheck. "Where am I going to find money to save?" she thought.

When she enrolled as a Saver, she set a small initial goal for herself – saving enough so that she could buy Christmas presents without using her credit cards. Once that was accomplished, her second goal was to establish an emergency fund. "I needed a cushion," she said, "just to have some money in the bank if something comes up." Before, when her car broke down, "I would cry," she said. Now she has the money to pay for those repairs. At the same time, she's been paying off her credit cards. She also managed to save enough for her first-ever vacation – a trip to the Bahamas. "That's the only goal I didn't mind taking the money out for," she joked. She said she used to think she couldn't save because she lived paycheck to paycheck. Then she realized she was living paycheck to paycheck because she wasn't saving.

She has found a number of ways to save, such as saving loose change. Whenever she got a raise, she put either most or all of the money into savings, having the amount automatically deposited from her paycheck. "When I get a raise I look at it this way: I've been living without this; I can keep living without it," she said. Her advice to others is, "Don't start big and make a goal that's unrealistic. Instead, start small and stick with it. As you watch it grow, it's encouraging."

As the national economy weakens, financially-challenged individuals and families should take advantage of America Saves Week to take steps strengthening their financial condition. These could include a personal commitment to use government payments received this spring to reduce high-cost debt and increase savings.

Additional information on family and community development is available from the UF/IFAS/Monroe County Extension Service, 1100 Simonton Street, #2-260, Key West, FL 33040, phone: 305-853-7385 or 292-4501, e-mail: [Monroe@ifas.ufl.edu](mailto:Monroe@ifas.ufl.edu), or visit our Web site at <http://monroe.ifas.ufl.edu>. Our services are free and available to all without regard to race, color, sex, or national origin.