

ALABAMA SECURITIES COMMISSION

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Hon. Governor Bentley signs proclamation for Alabama Saves Week, Feb. 19-26

MONTGOMERY, ALABAMA (Feb. 22, 2012) The Alabama Securities Commission (ASC) was proud to participate with the Alabama Cooperative Extension System (ACES) yesterday at a proclamation signing ceremony with Hon. Governor Bentley to promote Alabama Saves Week Feb. 19 through 26. **Please see the release below from ACES.** Director Borg of the Alabama Securities Commission said, “We are proud to be a partner with ACES, and Federal Deposit Insurance Corporation (FDIC), and other partners for Alabama Saves Week. This program is important because good savings habits may lead to wise and safe investing practices and in-turn prosperity for Alabamians. In addition, we have worked with ACES and FDIC for many years to promote financial/investor education and fraud prevention education to K-12 students and their teachers. Also, these agencies have partnered with ASC to provide education events and free curriculum to working adults and retired senior citizens throughout Alabama.

For further information contact Dan Lord, Education and Public Affairs Manager, Alabama Securities Commission (call 334-353-4858 or email dan.lord@asc.alabama.gov) or Carol Centrallo, Extension Specialist, Consumer Science and Personal Financial Management, Alabama Cooperative Extension System, (334) 844-1325.

ALABAMA SAVES WEEK RELEASE:

Are you an Alabama Saver? Start Now!

The Alabama Cooperative Extension System and its Alabama Saves Coalition members are preparing for Alabama Saves Week Feb. 19 through 26.

Alabama Saves Week coincides with the national observance of American Saves Week. Extension Consumer Science and Personal Financial Management agents conduct events and activities to encourage financial literacy throughout the year.

During Alabama Saves Week, there is an expanded effort to increase awareness of the need to save money, reduce debt and build wealth with a primary focus on taking financial action – making commitments to save, invest and build wealth. Activities are conducted through partnerships with nonprofit organizations, companies, government agencies, educational institutions, religious institutions, community groups and others.

As families continue to cope with unemployment, tighter credit and strained budgets, financial security is more important than ever. Most Alabamians do not have adequate savings to meet major emergencies, much less prepare for retirement. The typical American household has less than \$100,000 in net wealth, including home equity and 401k accumulations, and only about \$10,000 in net financial assets. Lower income families have fewer resources.

This year’s theme is “Set a Goal, Make a Plan, Save Automatically. Saving automatically is the best strategy for savers. There are many different ways to save but one of the most effective ways is to save automatically by agreeing in advance to transfer funds regularly from a paycheck or checking to savings or investments.

“Many low-to-moderate income households believe they can’t afford to save. While those with modest incomes cannot save as much as the affluent, almost everyone has the ability to build wealth over time,” says Carol Centrallo, an Extension specialist in Consumer Science and Personal Financial Management . “The creation of wealth, not debt over the long term starts with learning to save,” she says.

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Alabama is rated sixth in the nation with the highest number of unbanked citizens. One in eight residents in the state does not have a bank account.

In 2011, one-third of workers and retirees say they had to dip into savings to pay for basic expenses. Seven in 10 workers say they are behind schedule in planning and saving for retirement. Older and younger worker confidence about having enough money for a comfortable retirement is at a new low.

During the week of Feb. 19-26, Extension agents and coalition partners will conduct financial educational programs, exhibits, one-on-one financial counseling, Reality Check and Piggy Bank pageants to encourage Alabamians in rural and urban settings to open Alabama Saves accounts.

Alabama's goals are to add more members to its statewide Alabama Saves Coalition; to encourage citizens to take positive steps toward improving their financial position; enroll savers in the America Saves program during 2012; and provide the public with tips and tools to form good saving habits, reduce spending and eliminate debt.

Alabama Saves suggests three ways that individuals can begin or improve their savings right away:

- Assess your spending and make sure you are spending less than you earn. Start by looking at how you spend your money. Inventory your spending for one or more months to see where your money is going. You may be surprised to see how buying a daily cup of coffee adds up, or the budget effects of regularly eating out. Once you have a handle on how you are spending, it's easy to identify areas to cut back.
- Open a saving account or other savings vehicle, and save automatically. Almost all financial institutions allow account holders to set up automatic weekly or monthly funds transfers from checking to savings accounts. This method of saving allows savings to grow.
- Establish an emergency savings fund to cover unexpected expenses. Keeping \$500 to \$1,000 in an emergency fund helps you pay for unforeseen costs such as car or house repairs or a doctor's bill for an illness. It allows you to avoid high-cost, short-term loans, which can create a cycle of debt.

Extension's Alabama Saves partners include ; Alabama Asset Building Coalition; Alabama Cooperative Extension System; Alabama Securities Commission; Alabama Homemakers and Community Leaders; Alabama Jump Start; Alpha Kappa Alpha Sorority, Iota Mu Omega Chapter; Auburn University Federal Credit Union; Bancorp South Bank; Federal Deposit Insurance Company; Alabama Housing and Urban Development; Alabama Internal Revenue Service; Regions Bank; Remtech, Inc.; RSVP of Mobile; U. S. Small Business Administration, Mobile and Volunteer Mobile.

Become an Alabama saver today. You will be glad you did!

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