



# Build Wealth Not Debt

*Become a K-State Saver*



**K-State Saves**  
*You Can Build Wealth*

Brought to you by K-State Research & Extension

## Who is a K-State Saver?

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

## How do I become a K-State Saver?

Complete the "I Want to be a K-State Saver" form on the last page of this brochure. Either give to Esther Maddux, 343 Justin Hall (E-mail: [emaddux@ksu.edu](mailto:emaddux@ksu.edu); Phone: 785.532.1940), or send it to America Saves by mail to P.O. Box 12099, Washington, DC 20005-0999, or by fax at (202) 797-9093.

*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 to you four times a year.
- A factsheet on different types of savings accounts.

## So what does all this cost me?

Nothing. 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 the program?

K-State Saves is jointly sponsored by Classified Senate, Faculty Senate, and K-State Administration.

## How are program expenses being paid?

Program expenses are being paid by Classified Senate, Faculty Senate, and K-State Administration.

# 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. You will also 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 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 greater than 100% on their investment.

**4 Outside of work, save monthly through an automatic transfer from checking to a 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 the most interest you can on some certificates of deposit (CDs) and on U.S. Savings Bonds.** CDs from a bank or credit union, Series EE and Series I Savings Bonds, pay interest and are guaranteed by the federal government. Comparison shop for the best rate.

## 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           |
| 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                       | \$30           |
| Use fewer phone features and shop around for best rate | \$20           |
| Borrow, rather than buying, one book a month           | \$15           |
| Set limits on spending at garage sales and/or eBay     | \$15           |
| Pay credit card bill on time to avoid late fee         | \$35           |

## 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.



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

 **Yes** I want to be a K-State 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.

Signature \_\_\_\_\_

Name \_\_\_\_\_  
(please print)

Address \_\_\_\_\_

Phone (optional) \_\_\_\_\_

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

Has this brochure increased your knowledge of personal saving? Yes ☐ No ☐

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