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## Program aims to help Utahns save

*United Ways of Utah starts statewide initiative*

By **Dave Anderton**

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A generation ago, you couldn't find "zero-down" mortgages or car payments that devoured half of a person's disposable income.

But that was before the late 1970s, when deregulation of the banking industry resulted in easy credit and high-interest-rate loans.

Since that time, Americans have sunk deeper into debt while putting aside less money in savings.

On Wednesday, United Ways of Utah launched a new initiative aimed at reducing debt and increasing personal savings. The program already has enrolled 420 people, with average individual savings amounting to \$114 a month.

"As we all know, it's a spend, spend, spend society," said Deborah Bayle Nielsen, president of United Way of Salt Lake. "The No. 1 core issue affecting families in our community is insufficient income. An alarming number of middle-income families live paycheck to paycheck, just one life event away from financial catastrophe."

The story is being played out across the United States.

According to the Federal Reserve Bank of St. Louis, in 1982 Americans saved 8.2 percent of their income, a 37-year high. But by 2004, the personal savings rate had dropped to 0.9 percent.

While personal savings rates have plummeted, consumer debt has skyrocketed.

The Federal Reserve earlier this month reported that consumer credit rose at an annual rate of 3.25 percent in the third quarter. Revolving debt, or credit card debt, totaled \$801.5 billion at the end of September, an 18 percent increase since 2000.

"We've gotten out of the habit of paying ourselves first," said Bill Crim, director of United



Actors Michael Flynn as Brigham Young, left, Don Glover as George Washington, and Tony Larimer as Benjamin Franklin discuss the importance of saving money during the statewide launch of Utah Saves in Salt Lake City Wednesday.

*Keith Johnson, Deseret Morning News*

Ways of Utah. "We need to start reversing the trends in Utah that have us at the top of the nation's bankruptcy rates and the nation's foreclosure rates.

"The real problem really is in the middle-income areas, people who have enough discretionary income but are getting squeezed with higher housing costs and higher health-care costs. It's the problem of just not thinking that we can save."



Bishop H. David Burton of The Church of Jesus Christ of Latter-day Saints signs his Utah Saves membership card as "Benjamin Franklin" watches. "Too often our wants go wild," Bishop Burton said.

*Keith Johnson, Deseret Morning News*

More than 80 million Americans owe money on a credit card, with the average family that carries a balance now owing more than two months of income on their cards, according to Harvard Law School professor Elizabeth Warren.

"My golden retriever got an application for a credit card," said Sen. Ed Mayne, D-West Valley. "It came in the mail with his name. I didn't know if they wanted a signature or a paw print."

Aside from easy credit, Mayne said Utah's low wages exacerbate the problem of dwindling savings.

"I'm glad to see business people saying that low wages are part of the problem," Mayne said. "Maybe we need to increase incomes as sort of a companion to saving."

Mark Haymond, an employee of The Church of Jesus Christ of Latter-day Saints, decided earlier this year to join the Utah Saves program. Since February, Haymond has been able to save \$15,000. A "wealth coach" calls Haymond every three months, asking him if he is still meeting his savings goals.

"We are building a new home, and I wanted to increase the down payment," Haymond said. "We don't want to have a higher monthly payment than we have to have."

Perhaps consumers could take a lesson from the LDS Church, which has a long-standing policy of paying cash for any capital expenditures. Presiding Bishop H. David Burton of the LDS Church said too often people don't understand the difference between needs and wants.

"Too often our wants go wild," Bishop Burton said. "Certainly the cornerstone of self-reliance is saving for what your needs are and staying out of debt. We preach it from the podium, and we have to live it ourselves."

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