

NEWS RELEASE 2008

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**ABA EDUCATION FOUNDATION OFFERS
FINANCIAL TIPS IN OBSERVANCE OF BLACK HISTORY MONTH**

WASHINGTON, Jan. 23—In observance of Black History Month, the ABA Education Foundation is emphasizing the importance of financial education for ethnic and minority groups.

"As financial options have grown, so has the need for financial education," said Laura Fisher, director of the ABA Education Foundation. "A sound understanding of money management gives people the skills and know-how to make successful financial decisions."

Education plays a critical role in money management, and research shows minority communities have both the need and desire for more financial education:

- Whites tend to save more on a monthly basis than blacks, according to the Ariel-Schwab Black Paper, a study on wealth building and retirement.
- Black and Latino students scored lower than white students on the Jump\$tart Coalition's 2006 survey measuring 12th graders' knowledge of personal finance basics.
- Blacks and Latinos are more interested in financial education, according to the National Foundation for Credit Counseling's 2007 Financial Literacy Survey.

How can you become more financially literate? The following are proven tips from the ABA Education Foundation and ABA member banks on ways to improve your finances—and your financial education:

Budget

Create a realistic budget to balance income with expenses. Budgets allow you to pay down debt while saving. Computer software programs or basic budgeting worksheets can help consumers get started. One place to start is the ABA Education Foundation's [Consumer Web page](#), which features budgeting worksheets, tips on how to choose a bank and financial calculators that allow consumers to quickly calculate common financial transactions.

Lower Debt

Try to pay more than the minimum due and always pay on time to avoid late fees and penalties. Pay off debt with higher interest rates first, transfer high-rate balances to credit cards with lower interest rates, and limit long-term debt to purchases that will appreciate in value, such as a home.

Save

"Pay yourself first," said Fisher. "No matter how old you are, it's never too late to begin saving." Saving money is important because this not only helps to ensure a comfortable future but gives people a buffer against financial surprises. Banks are committed to helping consumers save for the future. Most offer savings plans that automatically transfer funds from a checking to a savings account, mutual fund or other savings vehicle.

Use Credit Wisely

"Understanding credit is the key to using credit wisely," Fisher emphasized. "You should always treat credit like a loan, with the intent to repay in a reasonable period of time." You should also check credit card statements carefully for unauthorized charges and report such charges immediately to your bank or credit card company. The Foundation's new getsmartaboutcredit.com offers tips, resources and links provided by credit card issuers, banks and the ABAEF to help consumers use credit wisely.

For additional financial education information or tips for making the right financial moves all year long, visit www.aba.com and click on Consumers.

*The ABA Education Foundation, a non-profit subsidiary of the American Bankers Association, is committed to developing and providing education programs that lead to financial literacy. For more than eighty years, we have supported the banking industry's efforts to teach personal finance skills in schools and communities across the country. The programs we provide are specifically and uniquely created for young children, teenagers and adults to provide them with the skills they need to budget, save, and manage credit. For more information, visit ABAEF or call **1-800-BANKERS**.*