

PUBLISHED BY THE
COMMUNITY AFFAIRS
DEPARTMENT OF THE
FEDERAL RESERVE BANK
OF PHILADELPHIA

A COMMUNITY DEVELOPMENT PUBLICATION

CASCADE

INSIDE:

2 — Message from the
Community Affairs Officer

3 — A School About Money for
Adults

4 — Health and Wealth Go
Hand in Hand

4 — Credit Counseling for
Small Business Owners

5 — Banks Help Children Learn
to Save

7 — Educating More People
About Money Through
Collaboration

8 — Bank of America Wants
Customers to Keep Their
Change

9 — IRS Change Enables
Taxpayers to Split Tax Refunds

10 — Learning to Bank At
School

11 — District News

16 — Calendar of Events

Changes in Family Finances

By Marvin M. Smith, Ph.D., Community Development Research Advisor

Since consumer spending represents a large percentage of total expenditures in the U.S., our economy's financial health depends, to a large extent, on the financial well-being of the nation's households. Monitoring the finances of U.S. families offers a useful window on the vitality of our economy. The Federal Reserve Board's Survey of Consumer Finances (SCF) provides a highly useful data source for tracking households' financial trends. Thus, the SCF is a valuable resource for researchers and others interested in the finances of U.S. families. In their article, Brian K. Bucks, Arthur B. Kennickell, and Kevin B. Moore examine changes in family finances between the 2001 and 2004 surveys.¹ What follows is a summary of their findings.²

The Survey of Consumer Finances

The Federal Reserve Board, with the cooperation of the U.S. Department of the Treasury, sponsors the SCF. Since 1992, the National Organization for Research at the University of Chicago (NORC) has conducted the SCF every three years.³



NORC surveys about 4,500 families that are selected to be representative of families from all economic strata. The SCF contains a wealth of information on families ranging from demographic variables to a detailed account of household budgets covering income, assets, debts, and major financial transactions.

Economic Environment

Before we discuss the changes in the finances of U.S. families reported in the SCF,

...continued on page 12

¹ "Recent Changes in U.S. Family Finances: Evidence from the 2001 and 2004 Survey of Consumer Finances," *Federal Reserve Bulletin*, 92 (February 2006), pp. A1-A38.

² The report contains a great deal of information; however, only selected results will be presented here. For information from the SCF on shifts in electronic means of payments, see Loretta J. Mester, "Changes in the Use of Electronic Means of Payment: 1995-2004," *Federal Reserve Bank of Philadelphia Business Review* (Second Quarter 2006), pp. 26-30.

³ Before 1992, the SCF was conducted by the Survey Research Center of the University of Michigan.



FEDERAL RESERVE BANK
OF PHILADELPHIA

www.philadelphiafed.org

CASCADE is published quarterly by the Federal Reserve Bank of Philadelphia's Community Affairs Department and is available on the Bank's website at www.philadelphiafed.org.

Material may be reprinted or abstracted provided CASCADE is credited. Please send the Community Affairs Department a copy of reprints of Cascade articles. The views expressed in Cascade are not necessarily those of the Federal Reserve Bank of Philadelphia or the Federal Reserve System. Cascade has been published since 1984.

Send comments and suggestions to Keith L. Rolland at (215) 574-6569 or keith.rolland@phil.frb.org. Send address changes and requests for subscriptions or additional copies to Kenyatta Burney at (215) 574-6037 or kenyatta.burney@phil.frb.org.

COMMUNITY AFFAIRS DEPARTMENT

Kenyatta Burney
Senior Staff Assistant
(215) 574-6037
kenyatta.burney@phil.frb.org

Jeri Cohen-Bauman
Secretary
(215) 574-6458
jeri.cohen-bauman@phil.frb.org

Christy Chung Hevener
Consumer Specialist
(215) 574-6461
christy.hevener@phil.frb.org

Andrew T. Hill, Ph.D.
Economic Education Advisor
(215) 574-4392
andrew.hill@phil.frb.org

Amy B. Lempert
Community Development Advisor and Manager
(215) 574-6570
amy.lempert@phil.frb.org

Erin Mierzwa
Community Development Specialist
(215) 574-6641
erin.mierzwa@phil.frb.org

Dede Myers
Vice President and Community Affairs Officer
(215) 574-6482
dede.myers@phil.frb.org

Harriet Newburger, Ph.D.
Community Development Research Advisor
(215) 574-3819
harriet.newburger@phil.frb.org

Keith L. Rolland
Community Development Advisor
(215) 574-6569
keith.rolland@phil.frb.org

Marvin M. Smith, Ph.D.
Community Development Research Advisor
(215) 574-6393
marty.smith@phil.frb.org

John J. Wackes
Community Development Specialist
(215) 574-3810
john.j.wackes@phil.frb.org

Todd Zartman
Economic Education Specialist
(215) 574-6457
todd.zartman@phil.frb.org

Message from the Community Affairs Officer

By the time this issue reaches you, the holidays will be long gone. For some, however, the expenses incurred during the holidays may not be gone, just delayed, until those credit card bills arrive. For them the variety of financial education and asset-building programs that we have featured in this issue of *Cascade* may come in handy.

A good starting point may be understanding how other people are faring. Are they saving more and borrowing less than you? Are they richer or poorer than you? The Survey of Consumer Finances, conducted by the Fed every three years, can answer some of these questions. Fed researchers compare present and previous information, looking for trends related to income, education level, race, and age. The Fed's analysis of the latest data is extensive, and we have tried to distill it for you in our cover story. For more detail, be certain to read the original report.

Throughout Delaware, New Jersey, and Pennsylvania, there are dozens of organizations that help families and individuals overwhelmed by debt. Through classes and individual attention, consumers have an opportunity to understand how to build a financially secure future. In the Delaware Money School, adult learners recommend topics for future classes and have a sense of ownership of the school.

In New Jersey, two cooperative extension educators have combined forces and are now teaching a course that combines health and wealth issues. It is not hard to see that the discipline of one is necessary for the other. As we all know, at least on an intellectual level, preparing and keeping to a plan are important for both.

Bankers clearly understand that the habits you learn early contribute to your well-being and their ability to keep a customer. We have highlighted several financial institutions that are going the extra mile to encourage school-age children to save by collecting deposits and giving educational presentations in schools.

And one financial institution, Bank of America, has decided to see how much people will save if their "extra change" is rolled into a savings account. It has been enormously successful and demonstrates that even little steps can change your future.

All financial educators look for that teachable moment when students are most receptive to learning. You'll read about different ways to reach people, giving them new strategies and changing behavior.



A School About Money for Adults

By Keith L. Rolland, Community Development Advisor

Over 3,000 Delaware residents took more than 500 classes in 2006 on a wide range of personal finance subjects from 90 volunteer instructors in the Delaware Money School.

The instructors, who work in the private, nonprofit, and government sectors, teach classes on debt management, financial planning for college and retirement, homeownership, insurance, investing, long-term care, small business development, and other topics. The classes range in length from one to eight hours and are offered weekend evenings, lunchtime, and Saturdays at sites throughout Delaware.

Jack Markell, Delaware state treasurer, founded the Delaware Money School in 1999 and is president of the board of directors of the Delaware Financial Literacy Institute (DFLI), a 501(c)(3) nonprofit that oversees the school. The school was cited as part of an innovations award to the state from the Council of State Governments in 2002.

Theresa A. Hasson, vice president and CRA officer with Citicorp Trust Bank, FSB, in Wilmington, said the school is “a model one-stop shop” with classes scheduled well in advance of the events and organized by county, date, and subject on DFLI’s website and newsletter. Speakers, Hasson said, may not solicit business for their employers in the classes, which are offered without charge to participants.

Ronni Cohen, DFLI’s executive director since 2002 and a former elementary school teacher, said the school “belongs to the people taking the classes; it is really a ‘community

of learners.’” Hasson noted that the school “moves flexibly and quickly when participants ask for a class on a particular subject.” DFLI tracks its attendees and surveys them to identify subjects of interest.

Meanwhile, in DFLI’s From Purses to Portfolios program, about 400 women and a dozen men have spent more than 4,500 hours in Money School classes, all-day conferences, and networking events to earn Take Charge Delaware certificates, Cohen said. The certificate recognizes a level of financial knowledge sufficient for a person to take charge of their personal financial decisions.

DFLI has also experimented with cable television broadcasts and online courses. In one new effort, a tape of a lunchtime event on managing credit cards and getting out of debt was shown three times daily for a month on a local cable television channel. In addition, 67 individuals signed up for MoneyChoices, an educational program of web-based online courses sponsored by Visa U.S.A. Inc.

Cohen said that women constitute the majority of attendees at the school’s classes and conferences. “Women seek out this information,” she explained. “They’re very interested in each other’s situation and form close bonds with each other. They form a personal commitment and a sense of belonging to the Money School. Men who come to the events also become deeply involved, often serving as ‘ambassadors’ for the Money School.”

Hasson said “partnerships are critically important” in financial educa-

tion and encouraged providers to work with others in nontraditional ways. She recalled that DFLI adapted for adults a Junior Achievement budgeting program designed for young people.

In other activities in 2006, DFLI worked with the Center for Economic Education and Entrepreneurship to hold the 20th annual economics competition for third to sixth graders in problem-solving and personal-finance skills, convened an annual financial education summit for high school students, and sponsored workshops and a summer graduate institute for teachers to integrate personal finance into their curricula.

DFLI has a full-time staff of three people and is located in a community center in Claymont, Delaware. Its 2006 operating budget was \$489,000. It has received substantial grants and in-kind technical support and printing services from financial institutions, including Citigroup, JPMorgan Chase, Wilmington Trust, and Discover Bank.

DFLI’s board of directors includes representatives of Barclays Bank, Citigroup, Discover Bank, ING Direct Bank, FSB, JPMorgan Chase Bank USA, N.A., and the Bank of New York (Delaware). Its advisory board includes representatives from Citicorp Trust Bank, FSB, Citizens Bank, Delaware Bankers Association, JPMorgan Chase Bank USA, N.A., and Wilmington Trust Company.

For information on DFLI, contact Ronni Cohen at (302) 792-1200 or ronni@delawaremoneyschool.com; www.delawaremoneyschool.com.

Health and Wealth Go Hand in Hand

Two Rutgers University educators have created Small Steps to Health and Wealth, an educational program designed to motivate people to change their behavior in ways that improve both their health and personal finances.

The educators are Barbara O'Neill, Ph.D., a certified financial planner, and Karen Ensle, Ed.D., a registered dietician. O'Neill said she believed the program was the first long-term campaign that combines health and personal finance. She added that personal finance and health are usually discussed separately in events and publications,¹ although there are good-practice parallels in both fields.²

O'Neill said that financial educators using the program might challenge people to make a daily commitment to get at least 30 minutes of physical activity and save or invest \$5 or more. Presentations on how to use

the materials have been given to about 1,000 cooperative extension agents and other financial educators.

The program includes two PowerPoint presentations for consumers, online registration and evaluation, and research on connections between health and personal finance.

O'Neill noted that government agencies and public-policy organizations have substantially increased their financial-education funding in the last two years. She also said employers are taking a greater interest in financial education because employees now have more responsibility for managing their health-care costs.

O'Neill, who focuses on the financial aspects of health issues, youth financial education, and farm-related financial needs, explained that she and Ensle developed the program after Rutgers Cooperative Extension



Barbara O'Neill, Rutgers Cooperative Extension

shifted its primary adult consumer education focus from personal finance to health-related topics in 2003. She and Ensle were giving separate presentations on personal finance and health subjects at a 2004 conference when they realized there was a common need in both fields to motivate people to make changes in their lives.

For information, contact Barbara O'Neill of Rutgers Cooperative Extension at oneill@aesop.rutgers.edu or (732) 932-9155, ext. 250; www.rcre.rutgers.edu/sshw.

¹ Lois A. Vitt, Jurg K. Siegenthaler, Linda Siegenthaler, Deanna M. Lyter, and Jamie Kent, Institute for Socio-Financial Studies. "Consumer Health Care Finances and Education: Matters of Values," Employee Benefit Research Institute, Issue Brief Number 241, January 2002.

² Angie Hollerich, *The Weight and Wealth Factors: Parallel Factors for Weight Management and Wealth Accumulation*. Gahanna, Ohio: Brass Ring Productions, Ltd., 2000.

Credit Counseling for Small Business Owners

Bankers can refer Philadelphia-area small business owners who are turned down for loans because of credit problems to the Consumer Credit Counseling Service of Delaware Valley (CCCSDV) for educational workshops and counseling.

Bernie Harris, small business program manager at CCCSDV, conducts a three-hour workshop that emphasizes the importance of a business owner's credit score on a loan request. The workshops also cover budgeting, financing, and loan documentation.

Small business owners can also meet one-on-one with CCCSDV counselors who will obtain their credit reports. The workshops and counseling sessions are provided without cost.

Harris, who worked as a bank lender for 30 years, said he tells owners that "their credit score follows them everywhere and can make or break their credit request." Harris provides the credit-related part of workshops held in cooperation with the U.S. Small Business Administration, small

business development centers, and nonprofits.

He organizes workshops in CCCSDV's coverage area of Philadelphia, Bucks, Chester, Delaware, and Montgomery counties in Pennsylvania and Burlington, Camden, and Gloucester counties in New Jersey. He held 15 workshops in 2005 and 48 workshops in 2006. A total of 608 participants attended the workshops.

For information, contact Bernie Harris at bharris@cccsdv.org; www.cccsdv.org.

Banks Help Children Learn to Save

By Erin Mierzwa, Community Development Specialist

Editor's note: The following article summarizes programs offered by a sample of local banks to children and teenagers in Delaware, New Jersey, and Pennsylvania. We selected these programs because they demonstrate how banks have been innovative in encouraging children to develop a habit of saving money. Many other area banks and credit unions have savings programs for young people. The banks included in the article noted that they offer youth savings programs to build relationships with young people who may become long-term customers and build or strengthen the relationships with their parents.

Wilmington Trust Company

Dover High School in Dover, Delaware, is one of the few high schools with a banking program that includes operating a bank-like facility open for three periods each school day. The Dover High School bank looks like any other bank branch, with teller windows and machines, a station with deposit and withdrawal slips, a vault, and security cameras. The bank opens new accounts for students, accepts deposits, and disburses withdrawals. In addition, students are the bank tellers.

The program, started in 2001, is led by Pamela Moore, the business department team leader and Academy of Finance* director at Dover High School. When Moore began teaching at the school, she had 12 years of experience working at a bank, including as a head teller, and wanted to open a bank at the school to teach her students the importance of banking

and financial management. Moore and Nancy Wagner, currently the school-to-work coordinator at Dover High School and a state representative, worked with Gail Fink, a former branch manager at Wilmington Trust, to develop the program, which was subsequently approved by Delaware's state banking commissioner.

Moore uses her banking experience to teach her students how to operate the bank. Before becoming bank tellers, the students must take her principles of banking class. In their senior year, they must also take an additional class in banking. The students are responsible for completing all transactions with bank customers. Moore said that approximately five to 25 transactions are completed daily.

Each day by 3 p.m., Moore ensures there is a large enough cash reserve in the vault to meet banking needs for the next day. She then takes the cash deposits and documentation to a local Wilmington Trust branch. Tellers at the branch validate withdrawal and deposit slips, process paperwork for new accounts, and update daily transactions in their system. Moore also maintains a master bank account for the school's banking activities. Wilming-

ton Trust does not consider this bank one of its branches and no bank staff members are located at the school.

Students are able to open noncustodial savings accounts without having a parent co-sign. They must provide a Social Security number and a form of photo identification. A minimum deposit of \$5 is required to open a Wilmington Trust savings account through the school bank.

Since the Dover High School bank opened in 2001, 167 students have opened new accounts at the school bank, and other students that have opened accounts at Wilmington Trust branches use the school bank. In addition, 17 Dover High School clubs and committees, as well as a number of teachers and staff members, use the school bank.

...continued on page 6



Dover High School teacher Pamela Moore (right) is shown at the school bank with two tellers, junior Tylisha Darling (left) and senior Whitney Harmon. Wilmington Trust donated equipment for the school bank.

* The Academy of Finance is one of three member programs of the National Academy Foundation that prepares students for postsecondary education and careers through a theme-based curriculum approach. It is used in more than 260 high schools nationwide. For information, see www.naf.org/cps/rde/xchg.

Newfield National Bank

Each year, Newfield National Bank in southern New Jersey sends letters to 120 different schools, offering to provide educational presentations to students on saving and the advantages of opening a savings account. About 10 to 15 percent of the schools accept Newfield's offer. Newfield branch managers who visit the schools provide students with an educational workbook, pencils, crayons, a ruler, stickers, and a \$5 coin book with 20 quarter slots. When a student fills the coin book, he or she can bring it to any Newfield branch to open a children's savings account, and the initial \$5 savings is matched by Newfield. Throughout the school year, Newfield branch managers visit the schools each month to accept deposits.

Newfield offers the savings program to all children under the age of 18. Children who attend schools that do not participate in Newfield's educational program can obtain a coin book from any Newfield branch and receive a match when they open an account. The savings accounts are noncustodial and can be opened as individual accounts or joint accounts with a parent. In order to open either type of account, a child must provide his or her Social Security number. Parents must also provide their identification if a joint account is opened. The program has no minimum balance requirements or service fees. Children can deposit and withdraw money at Newfield's 12 branches in Gloucester, Cumberland, and Cape May counties.

Newfield said that the children's savings accounts have been available since 2000, but the program was enhanced in 2003 when the bank began to visit local schools. The bank had 437 children's savings accounts with \$280,000 in total deposits as of October 2006. Nearly all of the children

who have opened accounts have completed a coin book and received the \$5 match.

Beneficial Savings Bank

Beginning in the mid-1930s, Beneficial Savings Bank staff members went to schools in the Philadelphia area each week to collect student deposits. In 1995, Beneficial ended this program of collecting money in schools and began the Student Saver program to reach more students.

The Student Saver program, available to students between the ages of seven and 17, has no minimum balance requirements or service fees. The savings accounts are noncustodial and parents do not need to co-sign when students open accounts. The student must provide a Social Security card and birth certificate to open the account. Students are able to deposit or withdraw their money from any of Beneficial's 39 branches in the greater Philadelphia area. In addition, when a student opens an account with at least \$5, Beneficial provides a \$5 match. The bank also offers periodic prizes and incentives for participating in the program.

Beneficial said that it had 4,591 Student Saver accounts with \$2.2 million in total deposits as of October 2006. The bank estimates that it has provided matching funds of \$20,000 since the program's inception.

CommunityBanks

CommunityBanks, headquartered in Harrisburg, Pennsylvania, offers a savings program for children age 12 and younger, MegaBucks Kids, and one for teenagers, Teen Depositor. MegaBucks and Teen Depositor accounts are custodial accounts, and parents need to co-sign and provide their identification along with their children's Social Security numbers when opening an account. Both the MegaBucks and Teen Depositor

accounts have minimum opening deposits of \$10, but neither has minimum balance requirements. The bank does not charge service fees on the two accounts, which may be opened at CommunityBanks' 72 branches in southeastern Pennsylvania and two branches in Carroll County, Maryland.

Children can visit the branches and enter their names in a drawing for a prize awarded at the end of the quarter by each branch. In addition, the branches host a "kids' banking day" on the last Friday or Saturday of the month. On this day, there is a special teller window decorated for the children and they can enjoy snacks and receive gifts for opening accounts and making deposits. They also receive birthday gifts, such as a piggy bank.

CommunityBanks created a mascot called Buck to teach lessons on such subjects as saving money and safety. Buck participates in community activities and visits bank branches. The MegaBucks program began in 1996 under the former Peoples State Bank, which was acquired by CommunityBanks. The Teen Depositor program began in 1997. CommunityBanks said that as of October 2006, there were 11,000 MegaBucks accounts and 5,000 Teen Depositor accounts; the average account balances were \$450 and \$715, respectively.

For information, contact Guy Cunningham of Wilmington Trust at (302) 651-1624 or gcunningham@wilmingtontrust.com; Pamela Moore of Dover High School at (302) 672-1919 or pmoore@capital.k12.de.us; Mark Mastro of Newfield National Bank at (856) 691-1325 or mark.mastro@newfieldbank.com; Anthony Lloyd of Beneficial Savings Bank at (215) 864-6028 or tonylloyd@beneficialsavingsbank.com; and Kristine Good of CommunityBanks at (717) 354-3615 or kmgood@communitybanks.com.

Educating More People About Money Through Collaboration

Collaboration enables financial education providers to reach more people and use limited resources effectively, says Hilary L. Hunt, director of Pennsylvania's Office of Financial Education (OFE).

"Some of the most exciting financial education work in Pennsylvania involves new collaboration, rather than new programs," Hunt explained. "The people doing this work in non-profits, businesses, and government agencies should increase their collaboration within their sector and across sectoral lines. We need to capitalize on our strengths and, working together, we can reach more people."

Hunt cited as an example a collaboration between the Greater Philadelphia Urban Affairs Coalition and the Consumer Credit Counseling Service of Delaware Valley in which people learned about credit reports and credit counseling while waiting to have their tax returns prepared at volunteer income tax assistance sites. "It's easier to reach individuals where they are, instead of trying to get them to attend an event," Hunt noted.



Hilary L. Hunt, Director of Pennsylvania's Office of Financial Education

Another example she cited involves credit unions establishing branches in Pennsylvania high schools. There are currently 10 such branches in Pennsylvania in which credit union staff members serve as resources for teachers and guest speakers in classrooms while students serve as tellers for their classmates and faculty. The Pennsylvania Credit Union Association and its foundation have supported these efforts throughout the state.

In 2004, Hunt, who began her career as a middle-school math teacher, was appointed director of the OFE, which is part of the Pennsylvania Department of Banking. She said that the OFE is to her knowledge the only bureau in the nation established through a governor's order to coordinate and work with all of a state's agencies on financial education.

The OFE recently completed a pilot program with Pennsylvania's departments of Banking, Environmental Protection, Treasury, and the Board of Probation and Parole. The top official of each entity invited employees to attend financial-education events and asked them to complete a survey about subjects of interest, which generated a 63 percent response rate. Employees' spouses, friends, and adult children were also invited to attend.

In the fall of 2006, Becky MacDicken, the OFE's workforce specialist, coordinated 29 lunch 'n' learn events attended by nearly 400 employees, many of whom went to more than one session, on budgeting, identity theft, homeownership, retirement, investments, wills, and long-term care. The pilot program is a first step in educating the state's 80,000 employees on personal finance matters.

Meanwhile, Mary Rosenkrans, the

OFE's school-based financial education specialist, is surveying the state's 650 high schools to see which ones offer or require personal finance as part of their curricula. The OFE works with about 350 teachers a year; for example, it shows math teachers how they can meet standardized test requirements by incorporating personal finance in their courses.

Similarly, René Bryce-Laporte supports the OFE's effort to link community-based organizations with financial education programs to expand and enhance their programs. The OFE often serves as a clearinghouse, connecting programs and sharing information about effective practices.

The OFE is also expanding its website (www.moneysbestfriend.com) to include statewide lists of financial-education programs, services, and events and some educational materials in Spanish. According to Hunt, the site has had 100,000 visitors since it was launched in April 2006.

Hunt said that all age groups need financial education that is delivered appropriately, but one of the best approaches is bank and credit union savings programs for young people. "These programs do a fantastic job of establishing patterns and behavior," she explained. "Most people form their financial habits by the age of 10. In these programs, kids get comfortable going into financial institutions and learn about savings and checking accounts. They establish a good habit that is much harder to instill in any other way."

For information, contact Hilary L. Hunt at (717) 783-2498 or hihunt@state.pa.us; www.moneysbestfriend.com.

– Keith L. Rolland

Bank of America Wants Customers to Keep Their Change

By Erin Mierzwa, Community Development Specialist

In 2004, Bank of America retained a consulting firm to learn how to motivate consumers – particularly women with children – to open new savings and checking accounts. The bank and its consultants observed bill-paying and saving behavior in three cities. Bank of America then developed a product to encourage customers to save more. In October 2005, it introduced the Keep the Change™ savings program in a marketing event at Grand Central Station in New York.

Currently, over 3 million customers are enrolled in Keep the Change, which provides a matching component from the bank and is based on rounding up transactions to the next highest dollar. This program is available to all customers throughout Bank of America's service area, which consists of 30 states, including Delaware, New Jersey, and Pennsylvania, as well as Washington, D.C.

Diane Wagner, national media relations spokesperson at Bank of America, said 99 percent of the customers who signed up for the program are still enrolled and customers have saved over \$200 million of their money to date. In addition, the program has generated 1.3 million new checking accounts and 1.8 million new savings accounts for Bank of America. Wagner highlighted that "the program is not intended for long-term retirement saving, rather it is intended to be a gateway for customers to get into the habit of saving."

In order to enroll in Keep the Change, a customer must open checking and savings accounts with Bank of America. Any purchases made using a Bank of America debit

card are rounded up to the next dollar. The amount of the rounding (the change) is transferred to the Bank of America savings account. For example, if a customer makes a purchase of \$3.50 using his or her debit card, the amount is rounded up and the debit card is charged \$4.00 and \$.50 is transferred to a savings account.

All Keep the Change funds are transferred from the checking account to the savings account on a daily basis as a single transaction, and customers are able to view all debit card

transactions and the daily transfers to their savings account through the Bank of America website if they participate in online banking.

Bank of America matches 100 percent of the amount a customer saves for the first three months after enrolling in the program. After this time, the bank matches 5 percent a year. The maximum annual match, including the initial three-month period, is \$250. Bank of America matches the funds one time each year based on when the customer enrolled in

An Example of How the Keep the Change Program Works

If a customer makes 30 purchases using his or her debit card in a month, and the average amount per transaction that is rounded up (and transferred to the savings account) is \$.50, the customer would save \$15.00 for the month (30 x .50).

Initial Three Months

- Assuming the same purchase pattern continues for three months, the total saved would be \$45 (\$15 x 3). For the first three months, Bank of America matches 100 percent, or \$45. The total savings for three months would be \$90 (\$45 from the customer and \$45 from Bank of America).

Next Nine Months

- After the initial three months in the program, Bank of America matches 5 percent. Assuming the same pattern continues, the customer saves \$135 over the next nine months (\$15 x 9). Bank of America would match \$6.75 (\$135 x .05).

Savings for the Year

- The total savings for the year would be \$231.75 (\$180 from the customer and \$51.75 from Bank of America).



IRS Change Enables Taxpayers To Split Tax Refunds

the program. In order to receive the match, a customer must be enrolled in the program for the full year and his or her checking and savings accounts must be in good standing. The portion matched by Bank of America is considered earned interest and is reported to the IRS.

Bank of America does not charge additional fees to its customers for participating in the program. Only personal checking and savings accounts can be used for this program and standard fees and minimum balance requirements associated with these accounts do apply. The most frequently used checking account is the MyAccess Checking account. This account has no minimum balance requirement; there is a \$5.95 monthly service fee, but this is waived if the customer has direct deposit. The basic savings account has a \$300 minimum balance requirement with no service fee and had a 0.20 annual percentage yield as of November 30, 2006. Certain transactions, including the purchase of cash-like items such as money orders, are not eligible for the bank match.

In September, Bank of America received the 2006 Outstanding Corporate Innovator Award from the Product Development and Management Association for its services and products, including the Keep the Change program.

For information, contact Diane Wagner of Bank of America at (312) 828-2932 or diane.wagner@bankofamerica.com; www.bankofamerica.com.

The IRS is encouraging financial institutions to inform their customers about bank guidelines for accepting direct deposits as the IRS expands taxpayers' options for direct deposit of tax refunds. Starting with the 2006 tax year, taxpayers can send their refunds to up to three accounts with up to three different U.S. financial institutions.

The IRS change may enable taxpayers to save or invest more of their refunds. The IRS said that split refunds may help some taxpayers reduce their reliance on refund anticipation loans.

In order to split their refunds, taxpayers must attach Form 8888 when they file their returns. On that form they make the allocations, specify the financial institutions, and give routing and account numbers.

The IRS urged financial institutions to make sure their customers have correct account and routing number information and to encourage customers and tax preparers to double-check the accuracy of this information.

Direct deposit acceptance varies among financial institutions and taxpayers should first verify that their financial institutions will accept direct deposits for the types of accounts they are designating, the IRS said. For example, a financial institution may accept direct deposits for regular savings accounts but not for education savings accounts.

Examples of the accounts to which taxpayers can choose to direct their refunds include, but are not limited to, regular passbook savings or checking accounts, brokerage accounts, IRAs, health savings accounts, Archer MSAs, Coverdell education savings accounts, and individual development accounts, according to the IRS.

The IRS said that in the case of individual retirement accounts the account holders are responsible for informing their IRA trustee of the year

Starting with the 2006 tax year, taxpayers can send their refunds to up to three accounts with up to three different U.S. financial institutions.

for which a deposit is intended and for ensuring that their contributions do not exceed their annual contribution limits. Federal income tax refund direct deposits will not indicate an IRA contribution year.

Taxpayers can split their refunds whether they file on paper or electronically. They can still receive their refunds in a check, but they cannot split refunds between direct deposit and a check.

For information, call 800-829-1040 or visit www.irs.gov.

Learning to Bank At School

By Erin Mierzwa, Community Development Specialist

Each week in Delaware, branch managers and other staff from seven banks visit 24 elementary schools and one middle school either before classes or during lunch and collect deposits in a program designed to teach students to save money. Students sometimes serve as junior tellers. This activity is part of the Delaware Bank At School program, which is now 14 years old.

In the program, banks work with one or more schools. Wilmington Trust, the first bank to become actively involved, currently works with 14 schools. Other participating banks include Artisans' Bank, Citizens Bank, Discover Bank, First National Bank of Wyoming, PNC Bank, and Wachovia Bank. A total of 36 schools

have been involved for varying intervals since the program's inception.

The Delaware Bank At School program was designed by two educators, Ronni Cohen, a former elementary school teacher who has been executive director of the Delaware Financial Literacy Institute (DFLI) since 2002, and Bonnie Meszaros, Ph.D., associate director of the University of Delaware's Center for Economic Education and Entrepreneurship (CEE&E), in collaboration with Delaware State Treasurer Jack Markell.

of the child's identity. Most of the participating banks provide noncustodial savings accounts. With a noncustodial account, the child is the account holder and parents do not need to be listed.*

"The intent of the program is to instill the ethic of savings in children. We focus on the frequency of the children's efforts to save, not the actual dollar amount they are depositing each week."

Children are encouraged to make deposits as often as possible, even if the amount is very small. "The intent of the program is to instill the ethic of savings in children," Meszaros explained. "We focus on the frequency of the children's efforts to save, not the actual dollar amount they are depositing each week."

Children are discouraged from making withdrawals from their accounts at school. They are able to withdraw from their accounts at bank branches. Participating banks are required to mail statements to the students' homes on a quarterly basis. Some banks mail statements home more frequently if there is activity in the account.

Participating banks and schools enter into a Bank At School contract, which was developed by the DFLI and the CEE&E. Teachers leading the effort at each school receive the National Council on Economic Education's Financial Fitness for Life curriculum, which includes a teacher's guide,

The program has received the support and approval of Delaware's state bank commissioner, Robert Glen. This approval enables participating banks to accept deposits outside bank branches. In addition, the procedures for students to open accounts and make deposits are more relaxed in the program. Although the enrollment process varies slightly based on the requirements of the sponsoring bank, all parents sign a Bank At School permission slip. In addition, the child's Social Security number must be given and the school provides additional veri-

* Although the preference of the Delaware Bank At School administrators is to offer noncustodial accounts, some participating banks may require custodial accounts because of their interpretation of the USA Patriot Act. For information on the USA Patriot Act, refer to www.philadelphiafed.org/src/patriot.html.



Fifth-grader Nicholas Matos (right) enrolls in the Bank At School program as classmate Belen Cerdan-Villalobos waits her turn. Phillis Wheatley Middle School in Bridgeville, DE, began participating in the Bank At School program with Discover Bank this year.



Ronni Cohen, Executive Director,
Delaware Financial Literacy Institute

parent's guide, and child's workbook that teach about banking and the importance of saving money. This curriculum is provided by CEE&E at no cost to the school.

Administration of the program is mainly funded by the DFLI and CEE&E. Many of the bankers who participate provide additional incentives and prizes for the students, such as pizza parties for the class with the highest participation or most frequent deposits, or pencils, bookmarks, stickers, and notepads.

Cohen noted: "This program is a huge commitment for the banks that participate. It is not a money-making proposition, but the banks participate because they want to encourage the children to save and teach them about the fundamentals of banking." She added that "in order for the program to be successful, the school needs a very supportive teacher and principal."

For information, contact Della Hoffman of the Delaware Center for Economic Education and Entrepreneurship at (302) 831-0268 or hoffmand@lerner.udel.edu or Ronni Cohen of the Delaware Financial Literacy Institute at (302) 792-1200 or ronni@delawaremoneyschool.com; www.bankatschool.com.

DISTRICT NEWS

The **National Endowment for Financial Education** has valuable information on financial planning, saving, and other financial subjects at www.smartaboutmoney.com.

Pennsylvania Securities Commission staff and AARP volunteers are giving presentations on investor fraud and prudent evaluation of investments. For information, contact Tina Kotsalos at ckotsalos@state.pa.us.

The **Pennsylvania Attorney General's Office** gives presentations on financial abuse of older people and identity theft. For information, contact Joyce O'Brien at jobrien@attorneygeneral.gov.

The Federal Reserve Board of Governors' new **kids web page**, which educates middle-school students about the Federal Reserve, is at www.federalreserve.gov/kids/.

Mark P. Maguire, previously a general manager with Rohm and Haas in Asia, chairs a newly activated Philadelphia chapter of the Service Corps of Retired Executives (**SCORE**), which will provide one-on-one counseling and seminars to early-stage business owners. For information, contact Mark P. Maguire at mpmaguire10@yahoo.com; www.score.org.

Renee Webb Murdock, previously vice president at Wachovia Bank, is vice president of operations at Project H.O.M.E.

New Community Affairs products include a discussion paper on an alternative financial vehicle called rotating savings and credit associations (**ROSCAs**) and technical briefs on **Pennsylvania's Homeowner's Emergency Mortgage Assistance Program** and the **New Jersey Urban Site Acquisition Loan Fund**. They're at www.philadelphiafed.org.

Joseph Ott, formerly director of research and communications for the Pittsburgh Community Reinvestment Group, has become community affairs advisor at the Federal Reserve Bank of Cleveland's Pittsburgh branch. He can be reached at joseph.c.ott@clev.frb.org.

The Federal Reserve System's Consumer and Economic Development Research and Information Center (**CEDRIC**) is at www.chicagofed.org/cedric/search.cfm.

The American Institute of Certified Public Accountants' **Audit Toolkit for Nonprofits** is at www.aicpa.org/audcommctr/toolkitsnp/homepage.htm.

Changes in Family Finances ...continued from page 1

some background on the economic climate between 2001 and 2004 is in order. Over this time frame, the U.S. economy experienced a mild recession during most of 2001, but growth in the nation's total output (real gross domestic product) picked up in 2002 and recorded greater gains in 2003 and 2004. The rate of inflation "was moderate by historical standards over the 2001–04 period," while "the unemployment rate, which had peaked at 6.5 percent in mid-2003, fell to 5.1 percent in 2004."

According to the authors, most interest rates declined early in the period but started to rise near the end of 2004. These movements in interest rates affected such consumer products as home mortgages, time deposits, and bonds. Moreover, "the national house price index produced by the Office of Federal Housing Enterprise Oversight increased nearly 27 percent from 2001 to 2004," and homeownership continued to increase gradually.⁴

Evidence of Recent Changes from the 2001 and 2004 Surveys

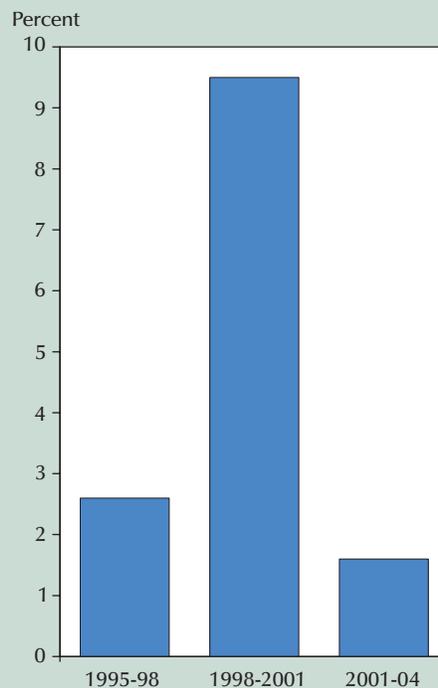
Given this backdrop of economic conditions, the authors' examination of the 2001 and 2004 SCF revealed some noteworthy changes in the financial status of U.S. families. In addition, the authors relied on the comparative differences between the 1995 and 2001 surveys to place these changes in a broader context.

Income. Between 2001 and 2004, median real family income before taxes (adjusted for inflation) rose 1.6 percent (Figure 1).⁵ However, this continued increase in income was not shared equally across demographic groups. Across the percentiles of income distribution, the changes in median income were 2 percent or less.⁶ This is in stark contrast to the substantial gains in median income

that occurred over the 1998–2001 period, when median income "had risen 10 percent or more for most groups."

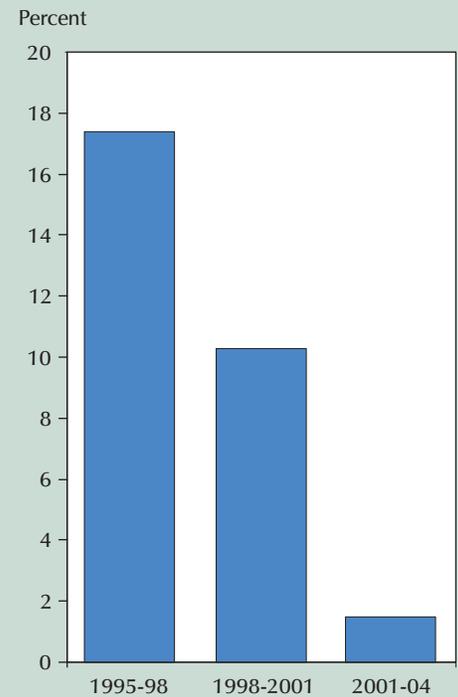
The authors also note that "across education groups, median incomes rose only for families headed by persons with less than a high school diploma and for families headed by persons with a college degree;

Figure 1
Change in Median Income
1995-2004 SCF



Source: "Recent Changes in U.S. Family Finances: Evidence from the 2001 and 2004 Survey of Consumer Finances." *Federal Reserve Bulletin*, 92 (February 2006), Figure 1, p. A1.

Figure 2
Change in Median Net Worth
1995-2004 SCF



Source: "Recent Changes in U.S. Family Finances: Evidence from the 2001 and 2004 Survey of Consumer Finances." *Federal Reserve Bulletin*, 92 (February 2006), Figure 2, p. A1.

⁴ The authors also noted that changes in tax policy had an effect on family finances. Federal tax cuts enacted in 2003 had a favorable impact on the child-care credit, married taxpayers, and those taxpayers in the lowest tax bracket.

⁵ Although the authors state many of their findings in terms of changes in the mean and median values, only median changes will be reported here. The mean value of a set of numbers is the average value, and it is sensitive to extremely high or low values in the set. When the set of numbers is ordered from high to low, the median is the value above and below which there is an equal number of values.

⁶ Any references to percentiles of income groups refer to the following categories: less than 20, 20-39.9, 40-59.9, 60-79.9, 80-89.9, and 90-100.

growth was particularly strong for the former group — 7.2 percent — but that group still has the lowest median income of all education groups.”⁷ In contrast, the data show that during the preceding three-year period, median incomes had increased for all education groups except those in the less-than-a-high-school-diploma group, while the group with college degrees experienced a substantial increase in median income.

Among ethnic and racial groups, the authors observe that the median income of nonwhite or Hispanic families increased 8.8 percent between 2001 and 2004, while the median for white non-Hispanic families rose only 2.5 percent. However, the situation was quite different between 1998 and 2001. During that period, “the median income of nonwhite or Hispanic families had been about unchanged, while the median had increased 9.0 percent for other families.”⁸

Net Worth. The median real net worth (wealth) for all families rose 1.5 percent from 2001 to 2004 (Figure 2).⁹ This is strikingly different from the 10.3 percent rise that occurred

between 1998 and 2001. As with changes in income, changes in net worth varied across demographic groups. Median net worth by age group resembled a “hump” pattern, with the highest level in the 55 to 64 age group. The authors suggest that this pattern stems from “both life-cycle saving behavior and growth in

to other families. In fact, “in 2004, the median wealth of nonwhite or Hispanic families was only 17.6 percent of that for other families.”¹⁰

Assets. The proportion of families that held any type of asset rose 1.2 percentage points in 2004. Within the various demographic groups,

Median real net worth (wealth) for all families rose 1.5 percent from 2001 to 2004 ... strikingly different from the 10.3 percent rise that occurred between 1998 and 2001.

real wages over time.” This same age group also saw the largest gain in median net worth during the previous three-year period.

The SCF showed that real median net worth rose for both white non-Hispanic and nonwhite or Hispanic families in the 2001–04 period. Even though nonwhite or Hispanic families had the largest increase (29.8 percent compared with 8.6 percent for white non-Hispanic families) during this period, this group’s absolute level of wealth pales in comparison

those who experienced the largest increases in the proportion of families with assets were “the lowest quintile of the income distribution, families headed by persons aged less than 35 and by those aged 65 or older, nonwhite or Hispanic families, families with a head who was not working, renters, and families in the bottom quartile of the wealth distribution.”

However, the SCF revealed a 6.3-percentage-point decrease in financial assets as a share of total assets from 2001 to 2004.^{11,12} Perhaps noteworthy

⁷ The educational categories are Less than a High School Diploma, High School Diploma, Some College, and a College Degree.

⁸ Substantial changes also took place across almost all age groups between 2001 and 2004. The authors note that while median incomes dropped for the groups under age 45 (namely, less than 35 and 35-44), they rose strongly for the other age groups (45-54, 55-64, and 65-74) except the 75 or older group: “Over the preceding three-year period, median income had increased for most age groups, particularly for the oldest.”

⁹ The authors define net worth as the families’ gross assets minus their liabilities.

¹⁰ In addition, over the 2001–04 period, median net worth rose in all income groups above the 40th percentile, with the 80-89.9 percentile group registering the largest increase, 11 percent. The preceding three years differed somewhat in that the median net worth increased in all income groups, and the largest increase was in the 90-100 percentile group.

¹¹ Financial assets include transaction accounts, certificates of deposit, bonds, stocks, retirement accounts, pooled investment funds, cash value life insurance, and other managed assets. Nonfinancial assets consist of vehicles, primary residence, other residential property, equity in nonresidential property, business equity, and other assets (such as artwork, jewelry, and antiques).

¹² Although 91.3 percent of families in 2004 had some form of transaction account (checking, savings, or money market account), the share of those with a checking account rose, while the share of those with other types of transaction accounts fell.

in this regard was the decrease in the share of families that held stocks.¹³

The decline in the share of financial assets held by families was offset by an equal increase in nonfinancial assets. The authors indicate that this rise in the share of nonfinancial assets in families' portfolios could be traced primarily to residential real estate. More specifically, it resulted from the rise in the homeownership rate of primary residences (up 1.4 percentage points) and other residential real estate holdings — second homes and investment properties (up 1.2 percentage points). This rise was further bolstered by the dramatic increase in the value of real estate in many areas.¹⁴

Debt. Another interesting finding was not only the changes in but also the nature of debt incurred by families between 2001 and 2004. According to the authors, "The share of families with any type of debt climbed 1.3 percentage points during 2001-04, to 76.4 percent" (see Table). This represents a 1-percentage-point rise over the preceding three years. The overall increase in families' debt during the 2001-04 period was due primarily to the increase in loans secured by residential properties; these include first-lien mortgages and home equity lines of credit secured by primary residences as well as loans for other residential real estate.¹⁵ In general, according to the au-

thors, "Over the 2001-04 period, the prevalence of borrowing declined for renters, the youngest age group, and the lowest quartile of the wealth distribution and increased or held about steady for the other groups."

Also noteworthy was the value of debt held by families.¹⁶ From 2001 to 2004, the median value of total outstanding debt for families that had any debt rose 33.9 percent (from \$41,300 to \$55,300). This contrasts notably with the 9.5 percent rise in median debt from 1998 to 2001. Moreover, the authors observe that "across demographic groups, median debt tends to rise with income and wealth and to rise and then decline with age." Over the 2001-04 period, a particularly striking increase occurred in the median debt of families headed by persons aged 65 or older.¹⁷ However, the median value of debt in this group remained much below the median for all families.

Several events that occurred over the 2001-04 period had a discernible impact on consumers' home equity. The increase in property values of primary residences raised the

amount of home equity available to families. The authors state that "median home equity among those with home-secured debt rose from \$61,900 to \$70,000 over the period, a 13.1 percent increase. They add that "by eliminating the deductibility of interest payments on most loans other than those on primary and secondary residences, the Tax Reform Act

From 2001 to 2004, the median value of total outstanding debt for families that had any debt rose 33.9 percent (from \$41,300 to \$55,300). This contrasts notably with the 9.5 percent rise in median debt from 1998 to 2001.

of 1986 created an incentive for homeowners with a need for additional liquid funds to borrow against their home equity." Furthermore, low mortgage interest rates may have offered an additional incentive for homeowners to tap their home equity for home improvements and debt consolidation.

Since the increase in liabilities outstripped the increase in assets, "the ratio of the overall sum of family debts to the sum of their assets (the leverage ratio) rose 2.9 percentage points, from 12.1 percent to 15.0 percent."¹⁸

¹³ The stocks referred to here could have been held either directly or indirectly through a retirement plan or other managed asset account.

¹⁴ Overall, the median value of primary residences rose 22.1 percent, while the median value of other residential real estate rose 17.4 percent.

¹⁵ Families' credit card balances are also noteworthy. The authors state that "from 2001 to 2004, the proportion of families carrying a balance rose 1.8 percentage points, to 46.2 percent." This "recent increase was shared by most demographic groups; the proportion carrying a balance declined for the lowest two income groups, the lowest wealth group, the youngest age group, nonwhite or Hispanic families, and renters."

¹⁶ For more on the amount of debt held by families, see *Federal Reserve Bulletin*, Tables 11A and 11B, pp. A27 and A29.

¹⁷ The median value of debt for families headed by persons 65 to 74 rose from \$14,000 to \$25,000, while the median debt for families headed by those 75 or older increased from \$5,300 to \$15,400.

¹⁸ The SCF data also reveal that during the 2001-04 period, there was an increase in the "proportion of families that had been delinquent with their payments in the year preceding the survey and in the median ratio of loan payments to family income."

Concluding Note

In analyzing the most recent triennial survey data (2001–2004) from the Survey of Consumer Finances, Bucks, Kennickell, and Moore find that real family income increased 1.6 percent, but the gains were mixed across demographic groups. These changes stand in contrast to the strong and broad gains realized between the 1998 and 2001 surveys. Similarly, net worth rose 1.5 percent over the 2001–04 period, with an uneven change among demographic groups. But the measured gains for the period pale in comparison with the 10.3 percent growth in wealth from 1998 to 2001.

In addition, during the 2001–2004 period, “asset ownership and debt use increased in both prevalence and amount.” A key factor for asset ownership was an increase in the ownership of real estate and its appreciation. Likewise, for debt use, “the most important factor in the increase was a rise in the amount of debt associated with residential real estate.”

Overall, the authors provide a broad perspective on the changes that occurred in the finances of U.S. families between 2001 and 2004. In many instances, they offer possible explanations for the findings, while others remain to be explained. They also provide a useful service to researchers by highlighting the array of statistics contained in the SCF and possible areas for further research.

Table
Family Holdings of Debt, by Selected Characteristics
of Families and Type of Debt, 2004 Survey of Consumer Finances

| Family characteristic | Secured by residential property | | Lines of credit not secured by residential property | Installment loans | Credit card balances | Other | Any debt |
|--|-------------------------------------|-------|---|-------------------|----------------------|-------|----------|
| | Primary residence | Other | | | | | |
| | Percentage of families holding debt | | | | | | |
| All families | 47.9 | 4.0 | 1.6 | 46.0 | 46.2 | 7.6 | 76.4 |
| <i>Percentile of income</i> | | | | | | | |
| Less than 20 | 15.9 | - | - | 26.9 | 28.8 | 4.6 | 52.6 |
| 20-39.9 | 29.5 | 1.5 | 1.5 | 39.9 | 42.9 | 5.8 | 69.8 |
| 40-59.9 | 51.7 | 2.6 | 1.8 | 52.4 | 55.1 | 8.0 | 84.0 |
| 60-79.9 | 65.8 | 4.1 | 1.8 | 57.8 | 56.0 | 8.3 | 86.6 |
| 80-89.9 | 76.8 | 7.5 | 2.6 | 60.0 | 57.6 | 12.3 | 92.0 |
| 90-100 | 76.2 | 15.4 | 2.5 | 45.7 | 38.5 | 10.6 | 86.3 |
| <i>Age of head (years)</i> | | | | | | | |
| Less than 35 | 37.7 | 2.1 | 2.2 | 59.4 | 47.5 | 6.2 | 79.8 |
| 35-44 | 62.8 | 4.0 | 1.5 | 55.7 | 58.8 | 11.3 | 88.6 |
| 45-54 | 64.6 | 6.3 | 2.9 | 50.2 | 54.0 | 9.4 | 88.4 |
| 55-64 | 51.0 | 5.9 | 0.7 | 42.8 | 42.1 | 8.4 | 76.3 |
| 65-74 | 32.1 | 3.2 | 0.4 | 27.5 | 31.9 | 4.0 | 58.8 |
| 75 or more | 18.7 | 1.5 | - | 13.9 | 23.6 | 2.5 | 40.3 |
| <i>Race or ethnicity of respondent</i> | | | | | | | |
| White non-Hispanic | 51.9 | 4.4 | 1.7 | 47.0 | 46.0 | 7.8 | 78.0 |
| Nonwhite or Hispanic | 37.4 | 3.0 | 1.1 | 43.2 | 46.7 | 7.3 | 72.5 |
| <i>Current work status of head</i> | | | | | | | |
| Working for someone else | 56.1 | 4.1 | 1.9 | 55.7 | 54.9 | 9.8 | 86.1 |
| Self-employed | 59.5 | 10.2 | 3.0 | 43.5 | 44.3 | 5.8 | 81.5 |
| Retired | 24.6 | 1.2 | - | 22.8 | 25.9 | 3.9 | 50.7 |
| Other not working | 30.3 | - | - | 45.6 | 41.0 | - | 70.4 |
| <i>Housing status</i> | | | | | | | |
| Owner | 69.4 | 5.1 | 1.3 | 46.6 | 48.8 | 7.7 | 82.3 |
| Renter or other | - | 1.7 | 2.1 | 44.6 | 40.4 | 7.3 | 63.4 |
| <i>Percentile of net worth</i> | | | | | | | |
| Less than 25 | 12.4 | - | 1.3 | 47.5 | 40.3 | 6.2 | 64.9 |
| 25-49.9 | 52.8 | 1.4 | 1.7 | 52.4 | 57.9 | 9.4 | 83.8 |
| 50-74.9 | 66.1 | 4.5 | 1.9 | 49.1 | 52.8 | 7.0 | 83.2 |
| 75-89.9 | 61.6 | 5.7 | 1.3 | 40.2 | 40.5 | 7.1 | 74.6 |
| 90-100 | 58.4 | 16.6 | 1.4 | 27.2 | 23.5 | 9.1 | 72.7 |

Source: “Recent Changes in U.S. Family Finances: Evidence from the 2001 and 2004 Survey of Consumer Finances.” *Federal Reserve Bulletin*, 92 (February 2006), Table 11B, p. A28.

CALENDAR OF EVENTS

Financial Education Network of Southeastern Pennsylvania

January 31, 2007, 9:00 a.m. to noon, Federal Reserve Bank of Philadelphia

The next meeting focuses on currently available energy and other emergency assistance programs; the availability of presentations and resources to protect older people from fraud, predatory lending, and identity theft; and volunteer income tax assistance sites where 2006 tax returns can be prepared without charge to the filer.

To register, go to www.philadelphiafed.org/ccf/conferences.html. The registration deadline is January 26. For information, contact Kenyatta Burney at (215) 574-6037 or kenyatta.burney@phil.frb.org.

Financing Community Development: Learning from the Past, Looking to the Future

2007 Federal Reserve System Research Conference

March 29–30, 2007, The Capital Hilton, Washington, D.C.

The Community Affairs officers of the Federal Reserve System are jointly sponsoring their fifth biennial research conference to encourage objective research into the factors governing the availability of credit and capital to individuals and businesses within the changing financial services environment.

For information, contact Amy B. Lempert at amy.lempert@phil.frb.org.

American Planning Association National Conference

April 14–18, 2007, Pennsylvania Convention Center, Philadelphia

For information, contact conference@planning.org or call (312) 786-6397; www.planning.org.

Declaration of Independence: The Fabric of Community

National Association of Community Development Extension Professionals Conference

April 16–18, 2007, Sheraton Society Hill, Philadelphia

For information, contact Rod Howe at (607) 255-2170 or rlh13@cornell.edu; <http://nacdep.net/confs/2007/conference.htm>.

Congress for the New Urbanism XV: New Urbanism and the Old City

This event will be attended by architects, planners, government officials, and developers who are interested in improving the quality of the built environment. Some of the leading architects and planners around the world are expected to attend.

May 17–20, 2007, Loews Philadelphia Hotel

For information, contact Sandrine Milanello at sandrinem@cnu.org; www.cnu.org.

CASCADE

Federal Reserve Bank of Philadelphia
100 N. 6th Street
Philadelphia, PA 19106-1574

ADDRESS SERVICE REQUESTED

PRESORTED STANDARD

**U.S. POSTAGE PAID
Philadelphia, PA
PERMIT No. 529**