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Seeking Ways to Save in a Tough Economy



CONSIDER THIS: While consumers in recent years have come face to face with the importance of having sufficient, accessible savings in tight times, many are still searching for strategies to ensure a return on their hard-earned savings. "Laddering" and other tactics may be their answer.

According to a recent poll conducted by Georgia Credit Union Affiliates measuring how the savings and purchasing habits of Georgians have changed in the down economy, people are looking for ways to save more. The poll revealed that 72 percent of respondents have changed their personal saving habits in the past six months. That includes spending less, and cutting "extra" expenses such as eating out, trips, and entertainment. But even with that, only 28 percent answered that they were able to save more.

So what do experts suggest consumers do to maximize their savings? Many in the financial services industry advise consumers to shop interest rates at financial institutions to make sure they're earning the highest return possible, and to incorporate alternative saving strategies, such as laddering. (Laddering is the process of purchasing investment products, such as certificates of deposit (CDs), with varying maturity dates.)

You may want to know:

- What have consumers learned about saving during this recession?
- Are consumers shopping for the best rates on savings? If so, where are they finding them?
- What "extras" are families or individuals foregoing to help boost their savings?
- Is the current focus on thrift and saving just a passing trend or is it here to stay?
- For taxpayers expecting a refund, do they plan to spend it, save it or invest it?

An insider's perspective:

"Laddering is always a good strategy to balance investments," says John Rhea, CEO of Robins Federal Credit Union in Macon. "Setting up investments to mature at different times helps ensure a more stable liquidity. Going with slightly longer maturities - 18 month, 24 month and 36 month - is an especially good strategy with rates not expected to increase for the next six months, and future rate increases are expected to be gradual."

According to Marshall Boutwell, CEO of Gwinnett Federal Credit Union in Lawrenceville, "For young people, their money should be in self-directed IRAs, mutual funds and 401(k)s. For more mature consumers who need income, I encourage setting up a five-year ladder. People who really need CDs for income should be going for maximum income and looking for institutions that are flexible in allowing members to extend the term so they can take advantage of higher interest rates."

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Additional Information

[Georgia Credit Union Affiliates member savings poll results:](#)

Saving and purchasing poll results from over 3,800 Georgians.

[Consumer Federation of America:](#) An advocacy, research and service organization that gathers facts, analyzes issues, and disseminates information to the public, policymakers and the consumer movement.

[Consumers Curtailing Post-Holiday Spending:](#) Discover Payments Source reports on results of a Rasmussen Reports survey of 8,200 adults.

[17 Ways Consumers Are Changing:](#) U.S. News & World Report cites trends that show how Americans are adjusting their spending and saving habits to the new economy.

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