

(Piggy) Banking Tips For Grown-ups

AICPA, Ad Council Launch 'Feed The Pig' Financial Literacy Campaign

■ By **JENNIFER WANG**
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The American Institute of Certified Public Accountants (AICPA) and the Ad Council are teaming up to rid people of the notion that piggy banks are just for kids. With Americans spending \$1.22 for every \$1 they earn (according to the U.S. Department of Commerce), encouraging people to save their money is becoming increasingly pertinent to their future well-being.

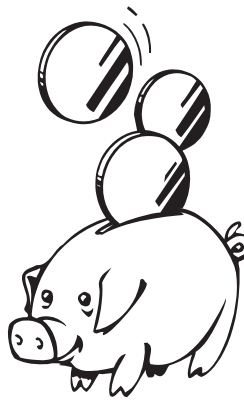
That's the motivation behind "Feed the Pig," a national, multimedia public-service announcement campaign that features Benjamin Bankes, a well-dressed, adult-sized pig that educates younger adults from the ages of 25 to 34 (Generation Y) about the importance of saving.

"Financial illiteracy is a huge national crisis," says CPA and Personal Financial Specialist Michael Eisenberg, who is a member of AICPA's financial literacy commission. "Approximately a year ago, for the first time in many, many decades, the savings rate in America went negative. When you couple that with the fact that pension plans are being replaced by 401(k)s – which puts the responsibility on the employees – and the fact that we don't know exactly what's going to happen with Social Security, you're going to get a population that will have financial issues when they want to try and retire."

In addition, a recent study commissioned by the AICPA uncovered some disconcerting statistics about the net worth (what you own minus what you owe) of Generation Y: In 1985, the group's median was \$6,788. Approximately 20 years later, the value dropped to \$3,746, despite income increases across the board.

Eisenberg stresses that financial illiteracy can be a

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problem in any age bracket, but notes that Feed the Pig is geared toward Generation Y because of the unique burdens faced by those in that particular group. "What happens is, a 25- to

34-year-old is done with schooling and has got his or her first or second job, and maybe is married and has a family. There are car loans, house loans, potentially there's student debt – there are all these things going on, and possibly, [they] become part of the 'sandwich generation,' where they also have to take care of the older generation as well," he says.

The other danger is that the financially illiterate may make unwise decisions. "Some people don't understand the impact of charging on credit cards and just making the minimum payment. They don't realize that it's not free money and that if you don't make the payments, your credit gets ruined, and if your credit gets ruined, it has an adverse impact on car and mortgage loans and things of that nature," he explains. "You could even go on vacation or buy something and make minimum payments three, four, five – seven – years later, and still be paying for that thing."

Given that this kind of information isn't taught at schools, it's Eisenberg's hope that Feed the Pig will work to change the behavior of what he calls the "iPod" or "Myspace" generation. "It's a whole different world today in terms of reaching . . . the next leaders of the country, and you have to [communicate] by ways they are more comfortable with," he says. So the campaign targets its audience through print, radio and television ads, as well as Internet banners, e-mail and cell phone reminders.

"Yes, Benjamin Bankes has a Myspace page, and last I looked, he had over 170 friends," Eisenberg notes. (At press time, Benjamin had nearly 300.) ■