

# family financial security



COMMUNICATIONS CONTACT: Kip Patrick  
202-552-2135 | [kpatrick@pewtrusts.org](mailto:kpatrick@pewtrusts.org)

The Pew Health Group (PHG) seeks to improve the health and well-being of all Americans. Based on research and critical analysis, the program advocates policies that reduce unacceptable health risk, focusing on areas that include consumer, medical and food safety.

Since 1948, Pew has invested more than \$500 million in efforts designed to create meaningful and measurable change in people's lives. The Pew Health Group includes a variety of interest areas such as food and medical safety, and emerging sciences. Among its activities, PHG supports family financial services through the following efforts:

## **SAFE BANKING OPPORTUNITIES PROJECT**

Banks and credit unions, policy makers and consumer advocates are looking for ways to help American families gain access to safe and affordable products that will let them manage their money, pay their bills and develop a credit rating. The potential for innovation is ripe, and so, too, is the opportunity for abusive practices that cost low- and moderate-income working families precious resources, with expensive fees that chip away at families' opportunity to safely manage their money and pay their debts. The Safe Banking Opportunities Project develops fact-based information that documents how providing safe financial services for unbanked families can be in a bank's economic self-interest. The two-year initiative seeks to develop standards for safe, affordable, fair, and empowering bank accounts; promote their voluntary adoption by banks and credit unions; and educate the public about the standards.

## **SAFE CREDIT CARDS PROJECT**

For many Americans, it is impossible to imagine life without a credit card. Compared to cash and checks, credit cards allow consumers to purchase goods and services from around the globe and on the Internet with enhanced buyer protection. With the advantages of their convenience, however, also come hidden risks that have trapped many Americans in a cycle of expensive debt. The Pew Safe Credit Cards Project is engaged in a multi-faceted strategy that combines raising public awareness, building partnerships with industry and advocating policies that better protect consumers. Launched in 2007 in partnership with the Sandler Foundation, the Project is working to shape solutions that protect customers from unfair credit card practices and promote responsible management of debt.

## **THE RETIREMENT SECURITY PROJECT**

With millions of baby boomers poised to exit the workforce, securing a safe retirement is emerging as a significant challenge. Experts estimate that a couple earning \$45,000 per year will need nearly \$200,000 in savings plus Social Security to maintain their standard of living. In partnership with Georgetown University's Public Policy Institute and The Brookings Institution, Pew established *The Retirement Security Project*. The project uses nonpartisan research and analysis, public forums, outreach and communications to promote the benefits of expanding retirement savings incentives, boosting 401(k) participation rates and creating new avenues for saving. The project seeks to encourage automatic enrollment in 401(k) plans; improve the Saver's Credit; enable taxpayers to directly deposit part of their tax refund in a retirement savings account; and promote new avenues for saving.

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[www.pewtrusts.org](http://www.pewtrusts.org)

2005 MARKET STREET, SUITE 1700 PHILADELPHIA PA 19103-7077 T 215.575.9050 F 215.575.4939  
901 E STREET, NW 10<sup>TH</sup> FLOOR WASHINGTON, D.C. 20004 T 202.552.2000 F 202.552.2299

### **PROJECT ON STUDENT DEBT**

Two-thirds of today's students graduate with student loan debt, compared to less than half in the early 1990s. This debt undermines young workers' ability to save for retirement, buy a home and start a family; it also prevents graduates from pursuing crucial, but frequently lower-paying professions such as teaching, nursing and social work. To help reduce the burden of student debt, Pew invested \$3 million in the *Project on Student Debt* at the Institute for College Access and Success. The initiative helps lead to the College Cost Reduction and Access Act, which makes federal student loans more affordable and enlarges the available pool of funds.

### **THE CENTER FOR RESPONSIBLE LENDING**

It is estimated that one in five subprime mortgages made in the past two years will end in foreclosure, translating to 2.2 million households and costing homeowners as much as \$164 billion. Pew invested \$1 million in the *Center for Responsible Lending* to urge federal and state policy-makers and industry leaders to adopt basic and much-needed standards, including strengthening underwriting standards to prevent abusive lending practices from jeopardizing the financial security of millions of American families. The Center also will highlight the need for swift action by policy-makers to relieve the plight of homeowners.