

Desperate Families Flood Credit Service

By HELEN RICE

REDFORD
"Pay Now Buy Later" isn't just a slogan, as clients of the new Credit Counseling Center (CCC) in Redford on Grand River are learning.

Since this newest branch of the state-wide service to help families out of debt opened in May, a flood of Redford and Farmington residents have called for help in coping with mounting bills and in some cases with declining income.

"I've been astonished with the response here," said Mel Persky, manager of the Redford branch of CCC at 26533 Grand River.

"We've gotten off to a faster start in Redford than at any other of our 20 offices. The need for credit counseling is so acute here that we really should have come much sooner," Persky said.

PERSKY CREDITS-publicity in The Observer Newspapers with the flood of calls since he opened in May.

"At least 90% of the new clients said they had read about Credit Counseling in The Observer and now I'm so swamped on Monday from the downtown office to help us catch up," he said.

"We started by transferring 100 families from the Garden City office because they live in this area. But in a few weeks we had 50 new families coming in for regular planning sessions to get them out of rather desperate situations.

Layoffs and 'just plain poor management' are the root cause of most of the problems of families in debts they're

finding unmanageable, according to Persky.

Legal Aid Bureau attorneys say their clients are usually surprised to learn that items purchased and not paid for have to be returned in case of bankruptcy. They're also taken back to learn that many debts such as taxes and child support are not "dischargeable" in bankruptcy.

"Attorney fees start at \$400 and court costs are at least \$60 for personal bankruptcy. It's almost always better for the family to work out a payment plan with the help of competent counselors," says Legal Aid Bureau attorney Harry Klein.

He explained that legal fees mount up from the \$400 starting fee because tremendous amounts of time are involved in bankruptcy work.

TO COMBAT rising rates of bankruptcy and breakup of families that often results,

WASHINGTON, D.C.
The nation will probably see a slow revival of economic activity during the remainder of 1970, University of Michigan economist Gardner Ackley told the Joint Economic Committee of Congress at its mid-year hearings on the economy.

But Ackley suggested "more easing than we have yet had" in the administration's tight money and spending policies in order to reduce the economic and social costs of high unemployment.

"There is still the possibility," he said, "of a severe cut-back of investment plans that would bring a renewed decline in the second half of the year and a genuine recession."

The best solution to rising prices at this time, he indicated, is a voluntary wage-price restraint program. Such a program, he said, "can be made to work mainly to the extent that the leaders of labor and business can be made to feel some commitment to its success."

THIS EFFORT, Ackley added, will require committed government leadership. He questioned whether the Nixon administration is ready to provide such leadership.

The former chairman of the President's (Johnson) Council of Economic Advisers explained why he thinks austere monetary and fiscal policies should be eased.

"Cutting back on the expansion of aggregate demand, through fiscal and monetary austerity, is essential for avoiding or curbing excess demand inflation. It has little relevance for the 'cost-push' inflation which we face now and will continue to face in the months ahead."

While the present inflation originated in an excess demand, which he said developed during the "too expansionary" fiscal policies of 1966 through mid-1968, unemployment has now risen to about 5% and is bound to rise further even if policies are now eased.

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The rate of non-business bankruptcies in Michigan was 2 1/2 times that of other states in 1967 when leaders of labor and business got together to organize CCC.

Since then non-business bankruptcies have dropped off dramatically and the drop in Michigan has been triple the rate of decrease elsewhere, according to CCC reports.

"Bankruptcies don't solve problems," says Robert M. Grinager, credit manager of the J.L. Hudson Co. and chairman of the CCC board of trustees. "Studies show half the couples that file for bankruptcy also file for divorce and within two years 10% are back filing again for bankruptcy."

DEBT MANAGEMENT education deserves priority in high school curriculum planning, the CCC staff and board members believe.

"Every day we get letters from grateful people we've

helped to help themselves out of crushing debt. Most tell us they regret that they didn't learn in school about how to manage money as well as how to earn it," Frederick Waddell, director of education and research for CCC reports.

Re-educating people to stop over-using consumer credit is basic to CCC's operation. They have free consultation services for people in need of help with reorganizing their finances. But long-term management is needed for badly complicated financial problems of other families.

THE WEEKLY CHARGE for taking over the bill paying and holding the family purse-strings so they can re-trench ranges from \$2 cents to \$3.50 a week, hardly enough to cover postage and telephone costs. The balance of the cost of the service is absorbed by grants from private sources, chiefly unions and business firms.

Among the complicated cases Persky has worked with through the Redford office, one family's problem stands out. On a gross income of \$9,000 annually the parents and five children had run up debts to-

talling \$36,000 with no home mortgage. They rest.

"Can they get out from under? Yes, but it's taking a lot of doing. First we got help with child care so the wife can work and bring in extra income."

"Then with a lot of cooperation from creditors - utilities, stores and banks and loan companies, regular payment schedules were set up that left the family enough to live on. I find that people think they can buy and buy and cut down on food, but that doesn't work."

In setting up a budget, CCC counselors work from figures for actual necessities for the family and then plan payment schedules to work off their debts while avoiding further obligations.

They advise: "Pick out the item your family needs most and note its cost. Decide how much you can save toward it from each pay and don't buy until you can find that item on sale at a particularly low price."

"If you haven't enough saved, put the item on layaway and stick to your savings plan until you have enough to pay for the item. Don't get trapped into time payment charges."

duplicate bridge N E S W
both northers 1-S 3-C 4-nt 6-C
North deals 6-D All pass OL: H-4

North had a standard 1-S opener and East made a good weak jump overall: South, holding a self-sufficient diamond suit, was willing to try for 12 tricks if his partner held either of the black aces. He therefore leapt to a Blackwood 4NT.

West had a dual purpose in sacrificing at 6-C; initially, he hoped to cut off slam-going communications between his opponents as much as possible and secondarily he hoped to goad them into bidding a major suit slam, which he knew was doomed to defeat.

North-South were playing that variant of Blackwood in which a pass over an intervening bid denotes no aces, the next suit one, etc. North therefore dutifully bid six diamonds to show his one ace and was astonished to hear his partner pass him out.

MURDER LURKED IN North's heart at the thought of

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