

Credit card blues

Free spenders advised how to avoid post-holiday poor house

By Tim Smith
staff writer

THE PRESCRIPTION for someone with the holiday-overspending-credit-card blues is simple: Get rid of that plastic — quick. Chop those cards up or bury them in a dresser drawer.

Or at least come up with some sensible money management plan before the deepening hole of debt becomes abyss-like. Those who do can still find plenty of money to pay for holiday gifts.

"If you like spending \$1,000 on Christmas presents every year, one thousand divided by 12 is how much you have to come up with a month," said Joan Witte, public affairs manager for Credit Counseling Centers, Inc., a non-profit financial counseling service that offers holiday spending workshops to consumers.

"Do that now — instead of waiting for Christmas to come next year."

Witte suggested that free spenders could help themselves before landing in the post-holiday poor house, simply by designating their income tax refund checks for holiday gifts or joining a Christmas Club. "If you save \$50 a month, you'll have \$600 in December."

BUT TOO many ignore such advice, until poor spending habits, misplaced priorities and a disdain for sensible budgeting propel them into perilous financial situations.

"In the words of one of our counselors, 'Would you rather have a house for your child or a Christmas present?'" Witte said. "For some people, that's the kinds of decisions they are facing."

Getting them out of those holes, or

offering tips on how to step around fiscal trap doors, are the objectives of the statewide Credit Counseling Centers, which have Oakland County offices in Farmington Hills, Troy and Novi.

Besides individual counseling, CCC offers its Money Management Workshop Series, primarily to help people with holiday spending plans and year-round budget skills.

"It's important to recognize that spending limitations have to be set if you want to remain in a good financial situation when January rolls around and all the bills begin to pile up," said Karen Sachs, director of community and staff education for the centers.

The workshops attempt to teach people the merits of spending within their means, which Witte said is a difficult lesson to teach to many in this day and age.

THAT'S BECAUSE of peer pressures, low self esteem and screwed up priorities, Witte explained.

"They have this mental set that, 'I have a \$30,000 salary now, I should have a nice house, two cars, a VCR. They think 'X' amount of dollars equals 'X' amount of happiness through material goods."

People with low opinions of themselves also fall prey to the overspending weakness.

"Spending is an addiction like any other," Witte said. "They're trying to buy self esteem with designer jeans or living in the right place... and 'budget' is a dirty word. People figure if they have to budget they can't have things. So they evade it."

As far as priorities are concerned, Witte recalled one person who couldn't pay his utility bills but managed enough money for regular lawn service.

Concurring about how priorities often are misplaced was Farmington Hills-based CCC counselor Nancy Dinius.

"SOME PEOPLE are really behind in their bills, but are able to spend \$50 for cable," Dinius said. "I can see having basic cable, but I can't see having the extra channels if it means losing the house."

Both Witte and Dinius said it is crucial for people to use one or two credit cards, and not six or seven.

"A lot of people feel better using a lot of different credit cards," Witte said. "Because, when they get a balance of \$6,000 on one card it's like 'Oh my gosh.' It's kind of a psychological game."

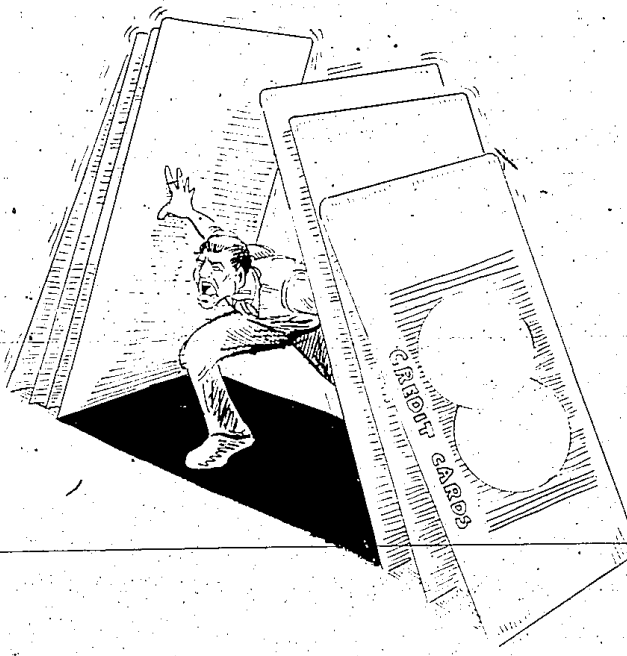
Another no-no is obtaining a cash advance from one credit card company to pay off the bill of another.

With the help of the CCC workshops or counselors, people forge new habits, such as writing down on a piece of paper entries for everything they spend, "even a quarter for a piece of gum," Dinius said.

BUT THE BEST habit prolific spenders can pick up is to lay it down. The plastic, that is.

"Keep your cards in a drawer at home," Dinius said. "So when you're tempted to buy something you have to go home. Most of the time, after getting home, you find out it's probably not worth the trip back to the store."

Because of space limitations, pre-registration is required for the Credit Counseling Centers workshops, Witte said. One is scheduled for 8:30 p.m. Jan. 20 at Southfield Civic Center. For more information, call 447-6660.



Workplace options can benefit parents

Working parents can educate their employers and encourage them to explore creative employer-sponsored child care options being implemented elsewhere. Even small businesses can set up programs at very little cost.

One well publicized benefits is the on-site child care center. However, it is usually the most costly, and may not be the most appropriate to single out parents with preschool kids for such a costly benefit.

But, during the past decade, other options have been used to help parents with preschool and school-age children.

Employers can help parents deal with the job of locating quality child care in many ways.

Often, an arrangement can be made with an established center near a business. Space can be reserved for children of employees, saving them a time-consuming search.

EMPLOYERS MIGHT consider



child care
Marcie Walker

helping parents with the cost of child care through vouchers or discounts to local centers.

Many corporations have set up resources and referral services for employees. These services vary greatly, from an on-site service to a telephone contact.

In general, trained specialists help parents locate a child care provider meeting their needs — in-home, center care or a family day care provider. Some services actually visit any center or home that is recommended.

Hospitals offer sick and child care services to their employees often. Usually, it is not too costly.

Employers are increasingly offer-

ing flexible benefit plans to their employees. With such a plan, the employer provides a master benefit menu, and employees select the options meeting their needs.

For instance, an employee with an infant might not select dental care for a year or two, selecting, instead, vouchers for child care costs. A flexible spending account, often a part of a flexible benefit plan, is relatively inexpensive to set up, and allows parents to set aside pretax dollars up to \$5,000 in a dependent care account each year.

However, parents are not eligible for the child care tax credit.

Sponsoring on-site parent education seminars is another way em-

ployers can help employees deal with the pressures of being a working parent.

There are other ways for employers to help, as well. These often involve flexibility rather than money. For instance, job-sharing will permit two people to share a job and give them more time with their families.

Many corporations offer flexible schedule, helping parents with school-age children often with a little creativity. It is possible to work at home using a modem or a fax machine.

And extended maternity leaves, with or without pay, can ease the transition back to work.

The Michigan Child Care Clearinghouse has a lot of information on these options for employers. In addition, they will provide a free, one-hour on-site consultation, through the Michigan 4C Association. Call the Clearinghouse at 800-421-3225.

Marcie Walker is a free lance writer who has researched the topic of child care in the metro Detroit area.

Orphaned Parents gather for series

The Orphaned Parents task force will host a three-part workshop series in Birmingham Temple, Farmington Hills.

Orphaned parents seem to be everywhere, said Sheila Bass, a member of the group that sponsored the first workshop of its kind in the metro area. "The task force was established in response to an overwhelming interest in the subject."

Orphaned parents are people whose children live a long way from their parents' home, and the adult children are so busy with their own lives very little day-to-day sharing goes on between the parties involved. The first workshop offered by members of Birmingham Temple concentrated on the parents whose children didn't get home for the holidays.

"Our Circumstances Identifying the Problems" begins at 10 a.m. Saturday, Jan. 12.

"The Voice of the Children: Understanding How the Children Feel" begins at 10 a.m. Sunday, Jan. 20.

"Strategies for Coping, Sharing Methods for Improving Our Circumstances" begins at 1 p.m. Sunday, Feb. 3.

Reservations must be made before Saturday, Jan. 5, by sending a check for \$15 for the series to Birmingham Temple, 28611 12 Mile Road, Farmington Hills, 48334.

"In order to understand the concept of the workshop, it is imperative for all first-timers to attend the first session," Bass said.

Questions are taken by Florentina Rimar, 561-4429 or Nina Schneyer, 354-1080.

Leaders of organizations in the metro area are invited to participate with a view to mounting their own future Orphaned Parents workshops.

Photographers profile people helping people

Things are developing well, as the United Way ASMP (American Society of Magicians Photographers) Project is halfway to completion. Twenty-eight photographers combine to dedicate their time and talents by showing how United Way and Metro Detroiters are making a difference in their community.

One of the photographers involved

in the project is Farmington resident

photographer Marcie Walker. She is currently working on a project called "The Salvation Army, Gleaners Food Bank and the Detroit Institute for Children are just a few of the agencies that have already been visited."

All of the film, processing and

photo mounting have been donated by Farmington Kodak Company, Appliance and Photo, Color Detroit and Hford Photo Corporation.

The goal of the project is to capture

through pictures people helping people. At the end of the project, a touring exhibit will be displayed at local corporate headquarters, shopping centers and office buildings.

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