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Are the par fives and long par fours getting you down? Joe Rahnis advises you to bring out the long fairway wood. You know, the No. 1.

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Rising bankruptcy rates being handled with "C.A.R.E."

Local judges, attorneys educate area students about credit

By Anthony F. Shop
Special to The Daily Record

With bankruptcy rates on the rise, the Kansas City legal community has decided to raise the bar.

A new program brings local attorneys and judges into the classroom to help students avoid preventable credit dilemmas facing many Americans.

Bankruptcy filings at the Western District of Missouri Bankruptcy Court have grown over the past five years from 10,171 in 1999 to 18,072 in 2004, an increase of 64 percent.

Credit card debt among adults 18 to 24 years old increased 104 percent between 1992 and 2001 to $2,985, according to the Demos report "Generation Broke: The Growth of Debt Among Young Americans."

Judges who C.A.R.E.

In February the court, in conjunction with the Bankruptcy Court for the District of Kansas, launched the new Credit Abuse Resistance Education (C.A.R.E.) Program. The initiative engages the legal community to provide financial literacy education to high school juniors and seniors in the Kansas City metropolitan area.

C.A.R.E. was originated by Chief Bankruptcy Judge John C. Ninfo II in Rochester, N.Y. in 2002.

After Chief Judge Jerry W. Venters of the Western District of Missouri court heard Ninfo speak at a chief judges meeting in Washington, D.C., he decided the program could greatly benefit Kansas City area youth.

Another colleague expressed the same desire.

"When I got back, Judge (Dennis R.) Dow had read an article (about C.A.R.E.) and said, 'We ought to be doing this,'" Venters said. "So we began to work on it last summer."

The C.A.R.E. Program, which began in February, marks the first organized educational activity the court has provided to the community.

The chief judge says it has been a success over the last three months, which he credits to support from the Kansas City Bankruptcy Bar Association.

"They're sacrificing half a day most of the

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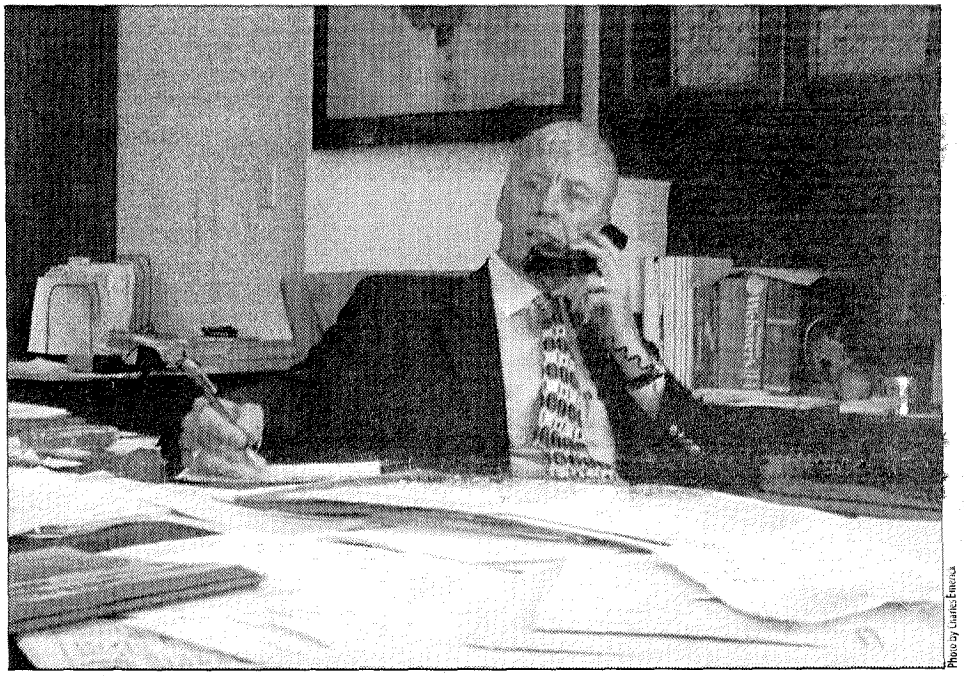

Photo by Charles Eckenrode

Jerry W. Venters, Chief Judge of the Western District of Missouri Bankruptcy Court, has helped bring the Credit Abuse Resistance Education program to Kansas City area students.

Bias, continued from page 1

time to do these programs," he said of the attorneys who volunteer to present high school students with information about credit and bankruptcy.

According to Venters, the program advises students to have only one credit card, maintain a low credit limit on that card, pay the balance monthly and avoid annual fees and high interest rates.

Lessons of bad credit yield extra credit

Lisa A. Epps, an associate with Spencer Fane Brit and Browne, brought the C.A.R.E. program to about 60 students at Blue Valley West high school earlier this month.

She said the students learned the implications of bad credit, as well as how fast interest can compound. Students were surprised to learn a $2,000 purchase would take 23 years to pay off at the minimum payment rate, resulting in interest charges of about $4,000.

"[Those] under 25 are the fastest growing group of bankruptcy filers," Epps said. "So if one person got this message and thought about what they were doing with a credit card...we'll view that as a success."

Epps also said she is excited so many attorneys have shown an interest in participating in the C.A.R.E. Program.

"Obviously they realize there's a tremendous need for this type of education," she said. And bringing members of the legal community into schools is a great way to meet this need, according to Epps.

"I think there's a huge benefit. It shows that people in the community really care about the students," she said. "We want nothing more than to see them succeed-especially attorneys who practice bankruptcy (and) see how people's lives can be devastated. We just want to prevent that."

The University of Missouri Extension Service has partnered with the C.A.R.E. Program. Regional Specialist for Consumer and Family Economics Carole Bozworth, Ph.D., who administers the program, said it has served 506 students in seven schools to date, with the expectation that another 100 students will participate this school year. Two judges and 13 attorneys have presented the program.

"It's reaching high school students - a group that would be difficult to reach in another way - with a really strong message about credit usage before they get into trouble," she said.

Bozworth said lawyers and judges may have a greater impact with youth, because they constantly deal with individuals who suffer from these issues.

"They're not working with just book knowledge," she said. "Their everyday experience is working with people who are traumatized by credit problems."

From courtroom to classroom

Epps agreed that lawyers can make a significant impact, but added that to do so they must learn how to teach teenagers. The biggest challenge for the presenters is learning how to speak to students on their level, she said.

"There's an art to teaching that is different than appearing before a judge," Bozworth said.

She helps lawyers and judges prepare for the experience using a curriculum focused on adolescent issues, which was designed by Judge Dow.

Epps called the training "fantastic."

"I like to think of myself as hip and cool," Epps said. "Yet I'm not. I didn't want to get up there and have someone say, 'How old are you?'"

But the training, and her personal experiences with youth, helped Epps tailor the program so the Blue Valley West students stayed interested.

"We try to make it as relevant as we can," she added.

Big plans for a small program

Prior to the actual program, the high school teachers administer a preparatory test about bankruptcy and credit. After completion of the program, students complete an evaluation.

Judging from the students' reactions to the programs and the teachers' evaluations of it, Bozworth said C.A.R.E. has been "a terrific experience" for those involved.

She said the program has already exceeded its goal this year, having reached more than double the expected 250 to 300 students.

When asked about his vision for next year, Venters said, "If I had to set a goal, I'd say I hope we're able to reach every school in the metropolitan area."

Though it might sound ambitious for a program currently operating with just an in-kind budget from the courts and participating firms, the visionary chief judge thinks it's possible.

"We've already done really well, considering we only started [in February]," he said.

Attorneys interested in volunteering with the C.A.R.E. Program should contact Judge Venters at (816) 512-1895.

The Dos and Don'ts of Credit Card Abuse

Tips for Staying Out of Debt:

- Know the difference between **needs** and **wants**.
- Use a **debit card, a check, or cash** whenever possible.
- **Avoid store credit cards**. You'll charge things you don't need!
- Have and carry only **one credit card.**
- Use your credit card **only for emergencies** or when required by a merchant.
- If you obtain a credit card, shop for the **lowest interest rate** and the **best repayment terms**.
- If you can eat or drink it, **don't charge it!**
- **Pay the full balance** on your credit card each month. If you didn't pay the full balance last month, figure out why.
- Never make just the **minimum payment** on your balance.
- **Have a plan** for paying what you owe.
- Don't use credit cards to get through rough times. **Reduce your spending** instead.
- Check to see if your credit card balance is increasing. If it is, **stop!**
- Always make your **payments on time**. Late fees are high — and punitive!
- Never use one credit card to pay off another credit card. You may be getting in **serious trouble!**