# PRESENTATION ON FAMILY FINANCIAL COUNSELING

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Family Financial Counseling, in relation to the $3000 to $6000 a year family, is virtually identical with Consumer Credit Counseling. Therefore, my presentation could be under either of such groupings.

As a columnist and speaker, I try to cover most areas of family budgeting, taking into consideration the various income ranges of my audience. The top 15 per cent of our people, income-wise, worry about investments, inflation, and taxes. Those earning from $6000 to around $10,000, roughly speaking, want information on how to stay out of debt, college-educate their children, save more money, and reduce living costs without loss of status, ease, or full enjoyment.

The people earning from around $3000 a year up to $6000 a year want to know how to get more credit, pay their old bills without sacrifice, buy more durable goods, move to better neighborhoods, and avoid the look of poverty or scrimping. Those families earning less than $3000 a year want to know how to pay their rent, keep a job, get medical care, eat decently, and join the rest of our society.

It takes more than bare knowledge to answer these questions; it takes philosophy, gall, and courage, and a willingness to be wrong now and then.

But most of my face-to-face counseling involves $3000 to $6000 a year families. These people need help. To put it as bluntly and controversially as possible, most ofthese people are debt-slaves. They have been badly seduced by installment credit, convenience, status-seeking, and mass advertising. They seem totally unable to fight back.

One does not challenge institutions without fear and preparation. Credit today is an institution, yet in its effect on these people I find very little benefit and much misery. Having examined and measured installment credit by the sliderrules of economics and philosophy I now dare to say to these people "stick to cash."

Personal bankruptcies are increasing rapidly. Repossesions are mounting. Garnishments of wages, and filing of salary assignments are an accepted, everyday, part of living for these troubled people.

The typical "problem debtor", as taken from my files, is about 30 years old, married, has 2 or 3 children, works in industry, is more or less unskilled, attended 10th grade, is on the brink of divorce, and owes about $2400 in consumer credit aside from his home mortgage. He grosses about $85 a week, needs more than that to live in the "American Style", and is expected to pay about 35 to 40 per cent of his net income to credit houses and on open accounts such as medical bills. If you haven't tried to appease a landlord, keep a home heated, pay two loan companies, and hang onto a car, --out of one week's pay, you just haven't lived. The problem debtor is not "psychiatric", as some high-rate lenders would have us belive,-- perhaps to justify debt-tradgedies, but he has an anxiety complex. He feels insecure. Aside from keeping a job, his goals involve acquisition of consumer goods, particularly autos, and enough pocket cash to go bowling, have a few beers, and keep his wife from nagging him to death. But he is a debt slave; no other description would suffice.

Anyone wishing to help problem debtors must face the dismal truth that what probably ought to be done is not what these troubled people really desire. Much like Aldous Huxley's "BRAVE NEW WORLD" Epsilons, they want more "debt-Soma" and heaven help the philosophical barbarian that gets in their way. Yet we ought to do something, if for no other reason than this: Free enterprise cannot survive, or democracy either, if its foundation is weakened. The consumer is the weakest link in our chain of production-consumption. He accentuates the capricious nature of the business cycle, by spending too much, going too far in debt, and then being forced to "over-save." His economic illiteracy encourages racketeering and profiteering. He invites confiscatory interest rates. In general, the consumer at the lower end of the mass market is responsible for all the protective legislation so despised by Big Industry.

A good case can be made that uniformed, uninspired, consumers, lower the general tone of commerce, and prejudice the chance of retaining an unregimented society. Those should be reasons enough for tackling the problem. Aside from normal reasons such as preserving human dignity and raising the level of understanding.

The problem of what to do, and how is far from insurmountable. You are doing a great deal now, by making information available. Of course, much of this information never reaches those who need it most, but it is gratifying that more mediums of mass communication are willing to print the facts, despite abuse from a few commercial interests. My own experience has been rewarding with the newspapers. Agencies such as Consumers Union, once actually accused of subversion, are getting good publicity and excellent public response. The trend toward state consumer advisors is an excellent one too, but it can be stopped cold without support. Just furnishing consumer information may not be enough. We have a situation where commercial leaders agree in principle about consumer education but are sensitive about spotlighting their particular fields. The Douglas bill on "true interest labeling" is a case in point. This bill needed more support. And as most all counselors will agree, whether they be financial counselors, marriage counselors, or family counselors, little can be done for modest-incomed people until we get rid of punitive collection laws involving wage seizures.

Consumer education in the public schools is getting more attention, but crowded curriculums are a problem, as is the attempt to indocrinate by special interest groups. We need both unbiased texts and experienced teachers.

From by personal experience I feel the following points must be stressed in consumer education.

1. The true cost of owning, servicing, repairing, and replacing, the so-called "big ticket" items, --the durable goods, in other words. Too many people measure cost only in relation to payments.

2. The cost and dangers of credit, which would include interpreting interest rates, and graphically depicting the tragedy of too much debt.

3. Long-range budgeting programs so that people of modes means will see how little income really is available for fun, fancy, and installment buying.

4. Comparison of home-buying vs renting. This is an area in which people have been deliberately misled.

5. Marketing techniques, with emphasis on phoney sales and sales gimmicks. This would include a course on "How Not To Be a Sucker".

6. A course including elementary commercial law and a review of protective state and Federal agencies.

7. Last but certainly not least, we need teachers with the cour age to moralize and philosophize. It never was my intention to be a lay preacher, but the more I wallowed around in the Consumer Debt Arena, the more convinced I became that we have created a vast Modern Proletariat, with little inspiration.

So regardless of what caused all this, we need people with the courage to say "(as did Ibsen): "There can be no freedom or beauty about a home life that depends on borrowing and debt". If we won't say such things, there is little purpose in saying anything.

In my humble and admittedly prejudiced opinion, too much of our educational efforts are directed toward making young people better consumers, instead of being directed toward making them better citizens, and more importantly, better humans. One of these days, all a TV announcer will need say is "And now a word", and millions of us automatically and individually will light a cigarette, open a beer, use a deodorant, and chomp on some Crackly-Wacklies. Surely we deserve more than training in "Conditioned Reflexes".