

Judge Margaret Mann

U.S. Bankruptcy Judge

In today's society, overspending and the abuse of easy consumer credit have contributed to a record number of people filing for bankruptcy and experiencing many of the other consequences of serious financial problems. These difficulties can adversely affect every area of people's lives. Consumers have faced collection efforts by creditors and have been turned down for an apartment, homes, or cars loans. They have suffered reduced performance at school or work, have been rejected for school loans, or have been forced to drop out of school. Many have lost jobs and employment opportunities. For some, the stress of financial troubles can bring on depression, and in some cases can result in substance-abuse problems and even suicide.

The credit abuse problem affects all age groups. Unfortunately, too many of our young people are financially illiterate. They need and deserve the opportunity to hear a counter-message to the constant "just do it" and "spend, spend, spend" messages they see on television, at the movies, on their computers, and often, in their family's spending habits.

As a bankruptcy judge I and other experienced bankruptcy practitioners each day see the many consequences of severe financial problems. Now is the time to learn about finances, how to manage your money, and how to "just say no" to the short-term temptations to buy what you don't need or do things you can't afford that often come with the use of a credit card. Learn the lessons now that hopefully will stay with you throughout your entire life. What you learn now may prevent you from being a victim of easy credit and living beyond your means and help you to live a comfortable and debt-free life. Although we are here to help if necessary, we know your lives would be better if you never had to see us in the Bankruptcy Court!

Honorable Margaret M. Mann, Judge
U.S. Bankruptcy Court -
Southern District of California

**C.A.R.E. Program
U.S. Bankruptcy Court
325 West F Street
San Diego, CA 92101-6991**

Credit Abuse Resistance Education

**U.S. Bankruptcy Court
Southern District of California**



**www.casb.uscourts.gov
<http://careprogram.us>**

The Real Cost of Credit

The Real Cost of Credit — for example, say you owe a department store \$1,000 on a credit card. The annual percentage rate is 21%, and you make the minimum payment but make no additional payments. When will this balance be paid off even if you make no additional charges? Although the temptation is there, you don't need to be an



overspender or credit abuser. Say “no” to living beyond your means. Be in control of your finances. Be different. Be smart. Accumulate wealth.

Financial Literacy

No matter what your income and wealth, it pays to be smart about money. As young adults become financially independent, they need to learn as soon as possible about budgeting, savings, and money management. Early lessons on money management can help people avoid painful experiences such as evictions, repossessions, and bankruptcy.

Using Credit Cards

1. With an understanding of your needs versus wants, develop a budget and live within it.
2. If the amount costs less than \$15, don't charge it.
3. Have only one credit card. Shop around and get the best deal, and very carefully read all of the terms.
4. If you are not paying off the balance on your one credit card every month, analyze why. Are you buying things you don't need? What happened to your budget?



Student Loans

Overuse and misuse of student loans, particularly for college and graduate school is now one of the biggest credit problems facing people in America — bigger even than abuse of credit cards. But if you need student loans to pay for your education, and most people do, you need to borrow that money and use it wisely to acquire an education that creates lasting value over your lifetime. C.A.R.E. helps explain the different types of student loans and how to choose them wisely.

Payday Loans

For someone facing a critical money problem, payday loans can seem necessary and even attractive. But the real cost can be staggering and trigger a cycle of debt from which it is difficult to recover. C.A.R.E. helps young people understand this real cost and know the alternatives when problems arise.

C.A.R.E. at Your School

The C.A.R.E. Program is a nationwide effort to train young men and women to intelligently manage their student loans, financing, credit cards, and credit-card debt. The information in this brochure is just a sample of the information shared through the C.A.R.E. Program.

Judges, attorneys, and other professionals in the judicial system are available to deliver informative presentations to your students.

The C.A.R.E. Program presentations can be delivered to large or small groups and can be tailored to fit your schedule.

If you are a school administrator or teacher interested in scheduling a C.A.R.E. presentation at your school, please visit our Web site or contact our C.A.R.E. Program coordinator listed below.

C.A.R.E. CONTACT INFORMATION

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