



ITALIAN. *american* Community News



FR 21

Volume 15 Number 5 May 2007

Published monthly by the Italian American Community Center, Inc., Rochester, NY

CARE Program SAVE

By Hon. John C. Ninfo, II



Hon. John C.
Ninfa, II

Our parents and grandparents taught us to hope for the best, but plan for the worst because they knew that bad things would inevitably happen even to good people. Their plan for the hard times was very simple but effective — live within your means, look for bargains (a penny saved is a penny earned), avoid debt whenever possible, have an emergency fund, save for the things you need or want before you purchase them, and then save more. You may have read that the majority of bankruptcies are caused by divorce, medical problems or job loss, but I believe that most of the bankruptcies I see could have been avoided if people had followed that simple plan.

Unfortunately, today when it comes to finances, too many Americans, caught up in our competitive consumption society where people spend more time planning their vacations than their retirement, hope for the best and, if they plan at all, they plan for the best, like the many bankrupts who said they planned to win the lottery to get out of debt, but were surprised that they never did. The bottom line is that more people need to stop living paycheck to

paycheck and have savings for emergencies, like a job loss in our unstable job market (six to eight months of net salary is recommended), anticipated expenses, like car repairs for that five-year old automobile that is out of warranty, the twenty-year-old roof you will need to replace soon, the long-term financial challenges of retirement, ever-increasing healthcare and college tuition costs. If your plan is to put all of these things on credit cards or a home equity loan, on top of debt you may already have, financial hard times are inevitable. It's just a question of when.

I see too many bankrupts who got themselves in financial trouble with credit cards to pay for holiday gifts and vacations. Remember how our parents and grandparents used to save for those things with Christmas and Vacation Club accounts?

It may seem hard to save, but there are thousands of stories of people who didn't think they could, but did, with advice you can get on the Internet or in a book, *The Total Money Makeover*, by Dave Ramsey.

If things are to change, we must save more, to help us avoid debt, and teach our children and grandchildren to save. It's never too early to help them open a savings account, make them save at least ten percent of everything they receive, putting it first towards an appropriate emergency fund, then toward things they want, and finally for long-term goals like college.

Funny, that works for everyone.