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Bankruptcy judge teaches youth on credit card abuse

By JODI SOKOLOWSKI
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When Hon. John Ninfo II, chief judge of the U.S. Bankruptcy Court for the Western District of New York, listens to the stories people bring to his court, he shakes his head and wonders why.

"I sat in court day after day watching people with 30, 40 and 50 thousand dollars in unsecured debt," Ninfo said. "I asked them, 'Didn't you understand what it would cost you (with credit cards) at 20 percent interest? Didn't you understand you needed to have a budget? Didn't you understand you needed savings so you don't have to put life's little bumps in the road on a credit card?' They would look at me with blank stares and said, 'If someone came to me in high school and told me these things, (I would).'"

So, Ninfo did just that. In Novem-



Ninfo

ber 2002, he created the Credit Abuse Resistance Education outreach program by going to Rochester-area high schools to talk to students about responsible credit card use.

"If you want to teach people about law enforcement, you don't bring in an economics professor," he said about bringing in judges, lawyers and others in the bankruptcy field.



Bucki

By June 2004, the program has reached more than 10,000 students. It's estimated 20,000 students have now seen the program, which is spreading across

the country from Boston to Anchorage.

Even though CARE started about an hour away, it is just now coming to Buffalo. Ninfo, joined by Hon. Carl Bucki, another Western District bankruptcy judge, will speak to students at Canisius High School Tuesday morning.

"This is our first venture at it," Bucki

Care program

Continued from Page 1

said. "This is the first time in the Buffalo portion of the district that we're trying out this program. We're hoping we can expand it in other areas as well."

When Beth Bivona, an associate at Damon & Morey LLP who focuses on business bankruptcy and equine law, and Joseph Allen, a partner in Jaeckle Fleischmann & Mugel LLP who concentrates on bankruptcy and business litigation, heard about the program, they wanted to bring it to Buffalo.

"As chairman of the Erie County Bar Association's Commercial and Bankruptcy Law Committee, I thought (it was my responsibility) to get the program running," Allen said, adding he enlisted Bivona's help.

The biggest challenge they have found so far is getting high schools lined up.

"The hardest part is getting our foot in the door," Allen said. "Schools are inundated with requests to have speakers come talk to them."

Bivona added after a test program at the University at Buffalo, word is starting to spread.

"Our hardest job is to get it out there and known to people," she said. "Schools are called for all (kinds of) these programs and are very selective. The more people

that hear about it seem to want it," she said adding she wished she had something like this in high school, which Ninfo said he hears a lot.

"I can't tell you how many people tell me that," he said, adding a cameraman told him that same thing on the first day Ninfo gave the program. "I know we're doing the right thing."

Even though the program doesn't have a national sponsor, Ninfo said it seems county bar associations or even judges and attorneys pick up the ball and run with it.

"The Second Circuit in New York state has been very supportive, but no one is helping us. We're just grassroots," Ninfo said. "Interested lawyers and bankruptcy judges are starting to take an interest. It's different in every city, some judges, some lawyers, some assistant trustees and the banking industry (are starting programs. I applaud them.)"

From showing a short film to distributing handouts, the program teaches students about the difference between wants and needs, the true cost of credit cards and the benefits of living debt free — all to create a financially sound future.

"One of the things we say in the program is, 'If it's under \$10, use cash. If you can eat it and drink it, use cash,'" Ninfo

said. "We're educating the next generations (about) ... a hyperconsumer society — this competitive consumptive society."

He often tells an anecdotal story about a 9-year-old boy who asks his father for a video game while at the mall.

"The dad says, 'You don't need that video game. We can't afford it right now.' Ryan says, 'Why don't you just put it on your credit card?' At 9 years old, that boy is already indoctrinated by the credit card companies."

Ninfo says the real-life stories, as well as the anecdotal ones, impact the students the most.

"Those are the ones that hit home," he said. "We try to sensitize them."

One bankruptcy petitioner racked up \$80,000 in debt. And she's an accountant.

"I said, 'How did you not know?' She said, 'Honestly Judge, I do know better. But I just got caught up in it like everybody else,'" Ninfo recalled. "It's hard to get yourself out of it, but it takes discipline. It's a financial diet. But it's harder than a regular diet, and we all know how successful regular diets are."

He's hoping these stories and instructions on how to have responsible debt — he says the only three good debts are

car loans, home mortgages and student loans — will have an impact on youth.

If everyone lives within their means, without credit card debt and eight months of income saved, people won't have to rely on credit cards — or, even worse, bankruptcy — when an emergency strikes, such as a divorce, medical costs or an unforeseen situation, Ninfo says.

"If we all got our financial houses in order, we wouldn't need bankruptcy reform," he said.

Bucki added that the program will educate youth about the perils of bankruptcy before the need arises.

"We've (seen) teenagers who have filed for bankruptcy. Even students not filing for bankruptcy can impose financial burdens that will impose in their lives," he said. "With a better understanding, we're hoping students will be able to avoid problems before the need for bankruptcy."

Schools and organizations interested in signing up for the program, as well as attorneys and judges who would like to volunteer as speakers, are invited to call Bivona at 858-3849 or e-mail bbivona@damonmorey.com.