

CONSUMER CREDIT COUNSELING SERVICE OF THE BLACK HILLS

A United Way Agency

NOVEMBER & DECEMBER 2011 2310 N. MAPLE AVE. RAPID CITY, SD 57701



Debit card use outpaces credit cards, checks

A new federal study shows credit card use has declined for the first time ever. Debit cards have become Americans' first choice among non-cash payment methods, according to a new study released last quarter by the Federal Reserve.

Credit card usage has actually declined slightly for the first time ever. The Fed believes that this is a result of consumers who are borrowing less during the current recession, lenders who are tightening credit and lending standards, and the current negative sentiment by consumers towards credit card companies.

The Fed's study, published every three years, tracks trends in how people pay for retail merchandise. The study also tracks and reviews the number of ATM withdrawals during the three-year tracking period. According to the Fed, debit card use showed the largest increase in total transactions than any other payment type between 2006 and 2009. The Fed began tracking consumers' payment methods in 2001.

During the 2006-2009 tracking period, Americans' used these methods of payment: debit cards — 37.9 billion; checks 24.4 billion; credit cards — 21.6 billion; ACH — 19.1 billion; prepaid cards — 6 billion.

During this tracking period, check usage declined by 20%. Debit card usage increased by 51.6%, prepaid card usage increased by 81.8%, and credit card usage declined by 0.5%.

Why the rise of debit cards? Because debit cards are linked directly to users' checking or savings accounts, consumers can complete transactions without accumulating debt or interest.

**“Why the rise of debit cards? ...
Consumers can complete
transactions without accumulating
debt or interest. Debit cards have
also become the number one
method of payment because
fewer people carry cash.”**

Debit cards have also become the number one method of payment because fewer people carry cash. Instead, consumers like the convenience of swiping a card that can help them track their purchases and make budgeting easier. By using a debit card, the consumer's bank or credit union will track purchases and send a statement each month so consumers can see how they are spending their money. By using online banking, consumers can track their debit card purchases throughout

the month, which allows consumers to even more closely track their spending.

The banking and credit union industry has noticed the ongoing national change in spending and payment methods and consumer habits. Financial institutions are shifting their focus for generating revenue toward debit and pre-paid cards, and focusing less on credit cards. Because of the new

CARD Act that went into effect in February 2010, credit card issues are severely limited on their ability to raise rates on credit cards.

One drawback to using debit cards is that they do not carry the same consumer protections as credit cards. For example, if there are disputes with merchants about defective products, a credit card holder

can withhold the payments until the dispute is resolved. Also, debit cards carry no safeguards for the user's liability if the card is lost or stolen. Consumers should note that debit cards and pre-paid cards may come with a variety of fees for activating and using the card.

November/December

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From the Director ...

Planning ahead can ease holiday stress

With the holiday season upon us, you might be feeling stressed about the expenses and busyness this time of year can bring. But by planning ahead, you can keep the holidays from sabotaging your budget and your enjoyment of the season.

Start by making a list of all the holiday expenses you expect to have. Your list should include gifts for everyone you know you'll buy for, travel costs, gift wrap, food, postage, parties and holiday clothing.

Next, take an inventory of what you already have, and do some research. Do you have any gifts stored around the house that you hid and forgot about?

How much gift wrap do you have left from last year? Do you or your children need holiday clothing, or could you add an accessory or two to update last year's outfit? If you're traveling, will you drive or fly? How much will gasoline or airfare cost?

You'll want to assign a dollar amount for each person and item on your list. Total all the expenses on your list. Can you afford to spend that much? Do you think the amount is reasonable, or do you need to modify your list?

Then, consider how you'll pay for holiday expenses. Will you use credit cards, get a loan, or cut back in other areas to come up with extra money?

Before you take on debt to pay for the holidays, look for alternatives.

Maybe, instead of squeezing your budget and going into debt for expensive gifts, you can find ways to give affordable gifts or plan special activities. Often, people remember traditions and time spent with loved ones more than they remember the gifts they unwrapped.

The earlier you start planning and shopping ahead for the holidays, the easier it will be on your budget. I wish you and your loved ones a happy, healthy, affordable and relaxing holiday season.

— **Bonnie**

CCCS/BH receives \$5,000 donation from First Western

First Western Federal Savings Bank is honored to be able to assist Consumer Credit Counseling Service of the Black Hills. First Western Federal President Jeff Fullerton gave a \$5,000 donation to CCCS/BH that he said will help support local counseling and financial education programs for low-to-moderate income individuals and families. He presented the donation to Fred Anderson, Chairman, and the Board of Directors of CCCS/BH

CCCS/BH's counseling and education programs help families overcome their personal financial obstacles, obtain and maintain safe and affordable housing, and make better financial decisions to improve the quality of their lives. CCCS of the Black Hills, a United Way member agency and a HUD-approved housing counseling agency, provides one-on-one counseling and various financial education programs at no charge for individuals and families.



Pictured from left to right: Dave Mortimer, Daphne Perez, Todd Schweiger, Jeff Fullerton, Angie Mortimer, Dave Semerad, Fred Anderson, Steve Larson, Bonnie Spain, Patty Hogan, Harold Jansen, and Corey Weber.



Community Credit Counseling Services of the Black Hills received help with landscaping projects during the United Way Day of Caring on Sept. 1. Volunteers from Three Sons Landscaping and some CCCS/BH staff members pitched in to lay down landscaping fabric, put down rock by hand and with a bobcat, rake and put down grass seed, and water. Coldwell Banker nominated CCCS's landscaping project. Three Sons Landscaping provided materials, equipment, and two employees to help with the project.

Bank On Rapid City launches Nov. 14

Bank On Rapid City kicks off Nov. 14. Bank On Rapid City is a community-wide effort to make mainstream banking and lending services available to everyone who wants them, and to provide local residents with the tools they need to achieve financial self-sufficiency. When individuals and families can accumulate and protect their savings or other financial assets, and avoid bad credit or unmanageable debt, their financial well-being benefits our whole community. Financial self-sufficiency is a key to family stability and the broader economic vitality of our city.

If an individual's or a family's short-term financial needs aren't well met, their ability to save, access credit, and build assets in the long run is compromised. People who lack access to banking and lending services often turn to high-cost alternatives. The consequence is that people become trapped in a costly cycle they struggle to get out of.

In late 2009 and early 2010, Bank On conducted a community-wide survey to determine the financial needs of local individuals and families. A total of 721 individuals were surveyed; 95% lived in the zip codes 57701, 57702 and 57703, and 4% lived in 57718 or in Black Hawk. Of those surveyed, 14.3% said they do not have a checking or

savings account at a bank or credit union. Because they lack checking and savings accounts, 44.4% said they use a check-cashing service, 56.5% use a pawn shop, and 73.8% say they borrow money from friends and family. In addition, 77.8% said they worry about their finances.

In response to the survey findings, Bank On Rapid City is providing low-cost accounts and free education about checking account management and money management. These services are available from financial institutions and non-profit organizations that participate in Bank On Rapid City.

The financial institutions participating in Bank On Rapid City include: Black Hills Community Bank, Black Hills Federal Credit Union, Highmark Federal Credit Union, Minuteman Community Federal Credit Union, Security First Bank, Sentinel Federal Credit Union, and US Bank. Other partners include: Black Hills Community Loan Fund, Cornerstone Rescue Mission, Consumer Credit Counseling Service, Love Inc., Volunteers of America, Youth and Family Services, and the City of Rapid City. The FDIC out of Kansas City has also been participating in Bank On Rapid City. For more information, go to www.bankonrapidcity.com.

Hours Of Operation

Mon8am - 5pm
 Tues.....8am - 5pm
 Wed.....8am - 9:30pm
 Thurs.....8am - 9pm
 Friday.....8am - 3pm

2310 North Maple Avenue
 Rapid City, SD 57701

Offices also in
 Spearfish, Sturgis and Pierre
RCCRC

**Consumer Credit Counseling
 Service of the Black Hills**

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Consumer Credit Counseling Service

OF THE BLACK HILLS

A DIVISION OF RUSHMORE CONSUMER CREDIT RESOURCE CENTER

PRESORTED
STANDARD
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****If you would like an electronic version of this newsletter, call us at 605-348-4550 or send an e-mail with your request to info@cccsbh.com**

Class Schedule for CCCS/BH: November & December 2011

Credit When Credit Is Due, Make Your Move ... A Guide to Homeownership, and CheckWise are FREE.

Start Right: Build Your Own Business — \$50 charge. To pre-register for classes, call 605-348-4550.

Classes in Rapid City will be held at our office at 2310 N. Maple Ave. Classes in Pierre will be held at 3060 E. Elizabeth St.

Wednesday, November 16 Rapid City, SD
Start Right: Build Your Own Business
6 p.m.-9 p.m. Lessons 1-10

Wednesday, November 16 Rapid City, SD
Make Your Move ... A Guide to Homeownership
6 p.m.-9 p.m. Lessons 1-6

Tuesday, November 29 Rapid City, SD
Credit When Credit Is Due
8:30 a.m.-3:30 p.m. Lessons 1-12

Wednesday, November 30 Rapid City, SD
CheckWise
6 p.m.-8 p.m. Lessons 1-6

Wednesday, November 30 Rapid City, SD
Make Your Move ... A Guide to Homeownership
6 p.m.-9 p.m. Lessons 6-11

Wednesday, December 7 Rapid City, SD
Credit When Credit Is Due
6 p.m.-9 p.m. Lessons 1-6

Monday, December 13 Pierre, SD
Start Right: Build Your Own Business
6 p.m.-9 p.m. Lessons 1-10

Tuesday, December 14 Rapid City, SD
Credit When Credit Is Due
6 p.m.-9 p.m. Lessons 7-12

Wednesday, December 21 Rapid City, SD
Start Right: Build Your Own Business
6 p.m.-9 p.m. Lesson 1-10

Wednesday, December 21 Rapid City, SD
Make Your Move ... A Guide to Homeownership
6 p.m.-9 p.m. Lessons 1-5

Tuesday, December 27 Rapid City, SD
Credit When Credit Is Due
8:30 a.m.-3:30 p.m. Lessons 1-12

Wednesday, December 28 Rapid City, SD
CheckWise
6 p.m.-8 p.m. Lessons 1-6