

Worries About Debt Rising Once Again

BY CONNIE CASS
Associated Press

WASHINGTON — Just last fall, Americans were feeling better about their personal finances. Now they're starting to worry more about how they'll pay off debts as they feel the nation's economic recovery wobbling.

With Congress deadlocked over how to deal with the national debt, household debt is causing stress for nearly half the country, according to a new Associated Press-GfK poll. One in five adults worries about debt most or all of the time. If they bought something on a credit card in the past month, more than a third say they won't pay it off when the bill comes.

The increased stress represents a reversal from last fall's AP-GfK poll, which found increasing confidence about personal finances. Debt-related stress is up 17 percent

from that November survey, bumping such worries back up to levels seen in 2009 and in the spring of last year.

"It's not that our debt is huge. It's just hard to make it, month to month," said Theresa Telford, 45, a teacher's aide raising four kids with her husband, a sheriff's deputy. "It seems like everything is going up, but wages aren't going up."

Telford is also nervous because she's watched so many people lose their jobs in her small town of Davenport, Wash., and some of her friends still can't find work. Although the recession officially ended in June 2009, Americans display little faith in a recovery hobbled by grinding unemployment, slow economic growth, volatile gasoline and food prices and political feuding over how to stem the skyrocketing national debt. Consumer confidence fell to a seven-

month low in June in the Conference Board's survey.

"We're starting to be fearful again that things may fall apart," said Paul J. Lavrakas, a research psychologist and AP consultant who analyzed the survey. Lavrakas and other researchers have found that debt can be bad for the health as well as the wallet. Those suffering the most anxiety over their debt are at risk for stress-related illnesses, such as ulcers, depression or heart attacks.

The poll found that households earning more than \$75,000 had the biggest increase in debt-related stress since November. But stress levels continue to be highest within the most vulnerable groups: households that have lost jobs, people with family incomes below \$20,000, single parents, and adults without high school diplomas. Married moms and adults under 30 years old showed significantly

more anxiety than in the fall.

In all, more than 40 million Americans are feeling serious stress over the money they owe, whether it's for credit cards, mortgages, car loans or other debts, the poll indicates.

It's a tough period for high school dance instructor James J. Moran of Shelton, Conn. He doesn't get paid during summer break, except for the occasional dancing or acting jobs he lands.

"For three months I scrape by and I can only afford to make the minimum payments on my credit cards," said Moran, who owes more than \$5,000 on his cards and about \$14,000 in student loans. "I put more toward the debts when I can, but when I can't that's when I really worry."

The news isn't all bleak. Although it ticked upward, the Debt Stress Index based on the AP-GfK poll came in at 29.2, still within the

range considered moderately low. Most people say they are handling their credit cards well in lean times.

Nine out of 10 people with credit cards say they trust themselves to handle debt. Most say they use credit cards because they're more convenient than cash. About half say they charge only what they can afford to pay for at the end of the month.

"Am I going off and buying things right now? No," said Donald Doane, 53, of Duluth, Minn. Doane said he carries "a little debt but nothing I can't handle" on a low-interest credit card that he reserves for emergencies and big purchases.

A salesman for Savories Catering in Duluth, Minn., Doane tracks the economy by how much his customers spend on wedding receptions and office parties. "People are spending," he said, "it's just that they're being more frugal."

Americans have been borrowing less and saving more in response to the Great Recession and its aftermath. Credit card borrowing increased in May, only the second monthly gain since August 2008, according to the Federal Reserve's latest figures. The total is still down 18.5 percent from its peak in August 2008.

The AP-GfK poll put median credit card debt in June at \$800, the same as in November. Average debt was down slightly from November at \$3,200. About four in 10 people surveyed owe more than \$1,000 in credit card debt. One in every 10 owes \$10,000 or more.

Lavrakas said the poll provides a snapshot of the typical American who's seriously stressed by debt: a working parent, in his or her 30s or early 40s, who doesn't have a high school diploma and is raising a family on household income of less than \$20,000.

Obama

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Congress."

He said the Republicans' newest legislation would clear the House, could clear the Senate and then would be sent to Obama for his signature.

The back-to-back televised speeches did little to suggest that a compromise was in the offing, and the next steps appeared to be votes in the House and Senate on the rival plans by mid-week.

Despite warnings to the contrary, U.S. financial markets have appeared to take the political maneuvering in stride — so far. Wall Street posted losses Monday but with no indication of panic among investors.

Without signed legislation by

day's end on Aug. 2, the Treasury will be unable to pay all its bills, possibly triggering an unprecedented default that officials warn could badly harm a national economy struggling to recover from the worst recession in decades.

Obama wants legislation that will raise the nation's debt limit by at least \$2.4 trillion in one vote, enough to avoid a recurrence of the acrimonious current struggle until after the 2012 elections.

Republicans want a two-step process that would require a second vote in the midst of a campaign for control of the White House and both houses of Congress.

There were concessions from both sides embedded in the competing legislation, but they were largely obscured by the partisan rhetoric of the day.

B Senate Republican leader Mitch McConnell of Kentucky

urged Obama to shift his position rather than "veto the country into default."

And Reid jabbed at tea party-backed Republicans who make up a significant portion of the House GOP rank and file. The Nevada Democrat warned against allowing "these extremists" to dictate the country's course.

The measure Boehner and the GOP leadership drafted in the House called for spending cuts and an increase in the debt limit to tide the Treasury over until sometime next year.

A second increase in borrowing authority would hinge on approval of additional spending cuts sometime during the election year.

Across the Capitol, Reid wrote legislation that drew the president's backing, praise from House Democratic leader Nancy Pelosi — and criticism from Republicans.

By design or not, the two

sides' harsh remarks obscured concessions that narrowed the differences among the nation's political leaders as they groped for a way to resolve the economic crisis.

With their revised plan, House Republicans backed off an earlier insistence on \$6 trillion in spending cuts to raise the debt limit.

And Obama jettisoned his longstanding call for increased government revenues as part of any deficit reduction plan.

Pending the president's televised speech, the White House also declined repeatedly to say whether Obama would veto the revised House measure.

White House communications director Dan Pfeiffer called the proposal "not a serious attempt to avert default because it has no chance of passing the Senate."

Not all Republicans were happy with their leadership's decision to scale back legislation that had cleared the House last

week, only to die in the Senate.

Among House conservatives who have provided the political muscle for the Republican drive to cut spending, the revised legislation was a disappointment. "I cannot support the plan," said Rep. Jim Jordan of Ohio, one of the leading advocates of legislation that cleared the House last week and died in the Senate.

But two rank-and-file Republicans said their constituents were voicing concerns other than the rising federal debt.

Rep. Tom Rooney, R-Fla., said his office is getting calls from constituents saying, "If I don't get my Social Security check, it's your fault."

Rep. Tom Reed, a New York freshman, said many of his constituents are telling him to stand firm in his drive to cut spending. "But I will admit there's some anxiety in the district" about Social Security and other programs, he added.

As Boehner readied his legislation, Senate Democratic leaders called a news conference to announce their own next steps.

The Democrats' measure would cut \$2.7 trillion in federal spending and raise the debt limit by \$2.4 trillion in one step — enough borrowing authority to meet Obama's bottom-line demand.

The cuts include \$1.2 trillion from across a range of hundreds of government programs and \$1 trillion in savings assumed to derive from the end of the wars in Afghanistan and Iraq.

Boehner ridiculed the \$1 trillion in war savings as gimmicky, but in fact, they were contained in the budget the House passed earlier in the year.

The legislation also assumes creation of a special joint congressional committee to recommend additional savings with a guaranteed vote by Congress by the end of 2011.

City

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skeptical as to whether any other individuals or organizations would step in to fill the void.

"If they're not fundraising at the Chamber, we're doing it," Commissioner Paul Lowrie said.

However, the commission was almost evenly divided as to whether the city should take on

the holiday show in its budget.

Commissioners Hoffner, Lowrie, Dave Carda, Craig Sommer and Mayor Dave Knoff believe that, absent some other group stepping in to take it on, the city has to fund and organize the fireworks display.

"I don't know how you quit doing it," Knoff said. "It's like taking away a kid's birthday."

Sommer added, "People come to our show because it's a better one than other communities. That's how you draw people here for the weekend. It's a quality of

life thing."

Commissioner Pauline Akland questioned how much fireworks observers actually spend in the community during what could be a short stay.

"I think it's a lot of money to spend, and you don't really get anything back out of it," Commissioner Nancy Wenande added. "We're not doing anything to make any money off of it other than what the Boy Scouts make doing some fundraising."

Commissioner Charlie Gross offered that city funding for the

Convention and Visitors Bureau budget could be cut by \$21,000 to put toward the fireworks display. However, the suggestion didn't appear to gain any traction.

With a majority of the commission in favor of funding the event, Knoff directed city staff to put it in the budget.

In other business Monday, the commission held a regular meeting. However, the agenda was slim.

The commission was told during the brief meeting that it got a

clean opinion on its annual financial audit.

Also Monday, the commission:

- decided to withhold \$30,000 in funding from Historic Downtown Yankton for the time being and, in the meantime, will encourage it to have a discussion with the Yankton Area Chamber of Commerce about becoming a subcommittee within that organization. Commissioners questioned how much Historic Downtown Yankton is accomplishing with the funds provided

for it by the city and speculated that more efficiency may be found by having it join the Chamber;

- was generally against budgeting \$70,000-\$80,000 for another June music festival similar to the one held for Yankton's 150th celebration; and
- agreed to provide Planning and Development District III with \$10,679, which is \$360 more than last year.

Corps

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Fort Randall Dam near Pickstown has seen its releases increased in recent days from 156,000 cfs to 157,000 cfs and eventually to the current 159,000 cfs, Farhat said.

Fort Randall's gradual increase has produced results, she said, with the reservoir falling 3/10 to 4/10 foot per day.

The Corps has seen progress throughout the mainstem dams, as the elevations are dropping, Farhat said.

• Fort Peck, Mont., releases stood at 35,000 cfs on Monday, and the reservoir is falling a half-foot a day.

• Garrison, N.D., was reduced Monday morning from 120,000 cfs to 115,000 cfs. The reservoir is falling 1/10 to 2/10 foot per day.

• Oahe and Big Bend releases remain at 140,000 cfs, with Oahe's reservoir falling 1/10 foot per day.

The National Weather Service forecast for southeast South Dakota calls for a 30 percent chance of thunderstorms from Tuesday night through Thursday night, then a 20 percent chance on Friday night.

The forecast calls for temperatures in the low 90s Tuesday and Wednesday before falling to the mid-80s Thursday and Friday.

While the focus remains on a flood fight, South Dakota officials are gearing up for clean-up and other flood recovery action.

During last week's visit to Yankton, Gov. Dennis Daugaard said the state needs to prepare for what awaits after the floodwaters recede and the Missouri River returns to its banks.

South Dakota has been subjected to long-term stress, with flooding expected to last four months, the governor said.

"This is a very unusual kind of flood disaster," he said.

State agencies and county emergency managers need to pool resources in the ensuing clean-up, Daugaard said. The state will see not only flood-related damage but also need to clean up sandbags and levees, he said.

Some of the lessons learned at Pierre and Fort Pierre can be applied to other areas of the state, he said.

Daugaard also hopes that public entities receive some federal assistance before the flooding ends, so money stands available as the clean-up and other recovery efforts begin.

During Monday's media brief-

ing, Col. Bob Ruch, commander of the Corps' Omaha District, said he and Daugaard recently discussed recovery needs.

State officials asked the Corps to continue advising them on water flows so that recovery decisions can be made and so local property owners are advised accordingly, Ruch said.

During Monday's briefing, the Corps was asked about new information showing they should have acted sooner in anticipation of flooding.

Ruch responded that Farhat provides monthly reports, and the system remained in good condition for anticipated run-off. The problem came in May when upstream areas received record rainfall, with 5 to 8 inches at one time.

"That caused the system to lose its flexibility," Ruch said. "Nobody could see that amount of rain coming into the (upstream) in a two-state area."

Both Ruch and Farhat maintain the mainstem dams have been operated this year for flood control and evacuating water, not for other purposes such as endangered species and recreation.

In response to a Press &

Dakotan question, Ruch said the ban remains for watercraft below Gavins Point Dam.

When asked about a boat seen Saturday in the vicinity of Riverside Park, Ruch said the craft may have been the U.S. Geological Survey (USGS) conducting measurements and evaluations for the Corps.

Meanwhile, Daugaard received word Friday that the Federal Emergency Management Agency (FEMA) has rejected South Dakota's request for Individual Assistance programs to help residents impacted by record flooding.

The denial of Individual Assistance came in a letter from FEMA

Administrator Craig Fugate, who said damage to homes and businesses fell short of the severity and magnitude to warrant federal assistance.

South Dakota has received a presidential disaster declaration because of flood damage to public infrastructure in 37 counties. The state asked for a similar declaration to bring federal help to individuals in 11 counties hardest hit by flooding in 2011, including Charles Mix, Clay, Union and Yankton counties.

Daugaard called the denial very disappointing but said South Dakotans will continue to work together to help individuals and communities recover over

the coming weeks and months.

"South Dakotans are a resilient, self-reliant people," the governor said. "We responded to the flooding together. We will recover together."

In that respect, efforts will continue to tap whatever resources are available, Daugaard said.

"We will seek every possible source of help, including state and local government resources and all the resources the private and non-profit voluntary groups can offer," the governor said. "We are disappointed, but we are not disheartened."

KYNT

AM 1450

MORNING COFFEE

WEEKDAYS
MONDAY-FRIDAY


WEDNESDAY

7:40 The Center (Tammy Matuska)
8:15 Hy-vee (Chef Stacy)
8:45 Senior Olympics
(Deb Bodenstedt)

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RIVERBOAT DAYS 2011 PARADE ENTRY

Entries are now being accepted for the 2011 Riverboat Days Parade, to be held on August 20th. The parade starts at 9:30 AM. Advance registration is required. Deadline August 1, 2011. The parade size may be limited. Send registration to address listed below.

Parade Theme: "It's a Zoo out there!"

August 20, 2011

Name of Organization _____ Person to Contact _____

Address/City/State/Zip _____

Telephone Number _____ E-Mail _____

\$20 Fee Per Entry: (up to 5 vehicles in each unit per entry fee). Late fee is \$40.00

Please check one of the three divisions in which you want to register

<input type="checkbox"/> Non-Profit/Service Group	<input type="checkbox"/> Commercial	<input type="checkbox"/> Vehicle
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Check the type of your entry:

<input type="checkbox"/> Band	<input type="checkbox"/> Animal Unit	<input type="checkbox"/> Political	<input type="checkbox"/> Float
<input type="checkbox"/> Cars	<input type="checkbox"/> Trucks	<input type="checkbox"/> Tractors	<input type="checkbox"/> Other Vehicle

Total Length of Entry: (Include length of towing vehicle) _____ feet long.

Also include the number of units or animals in your entry. _____

DO YOU WANT TO BE JUDGED FOR AN AWARD? YES _____ NO _____

Prizes awarded in the Non-Profit/Service Group: Cash Prizes: \$300, \$250, \$200, \$150, \$100
Trophies will be awarded in the Commercial (3); and vehicle unit divisions (3)

DESCRIPTION OF ENTRY/ORGANIZATION: What would you like said about your entry?

Description **must** accompany entry. Please limit description to 50 words.

The parade committee reserves the right to pull any unit from the parade.

MAKE CHECKS PAYABLE TO "RIVERBOAT DAYS PARADE" AND RETURN TO:

WAYNE & JOLENE WILLIAMSON, PARADE COMMITTEE

901 W. 3RD STREET, YANKTON, SD 57078

Questions – Phone: Wayne & Jolene Williamson: 605-665-8428
e-mail: wwayne@wyn.midco.net

PLEASE RETURN BY AUGUST 1, 2011

ENTRIES POSTMARKED AFTER THIS DAY MAY NOT BE ACCEPTED!