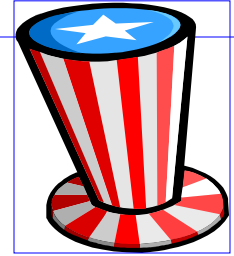


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EMORY M. COUNTS,

THE INTERCOM

Inside this issue:

CAN WE RESTORE ECONOMIC VALUES?

David Brooks – New York Times—adapted

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Centuries ago, historians came up with a classic theory to explain the rise and decline of nations. The theory was that great nations start out tough-minded and energetic. Toughness and energy lead to wealth and power. Wealth and power lead to affluence and luxury. Affluence and luxury lead to decadence, corruption and decline.

“Human nature, in no form of it, could ever bear prosperity,” John Adams wrote in a letter to Thomas Jefferson, warning against the coming corruption of his country.

Over the past few years, there clearly has been an erosion in the country’s financial values. Evidence of this shift in values is all around. States around the country began sponsoring

lotteries; gambling approved by government, that extracts its largest toll from the poor.

Executives and hedge fund managers began bragging about compensation packages that would have been considered shameful a few decades before. Chain restaurants went into supersize mode, offering gigantic portions that would have been considered socially unacceptable to an earlier generation.

In 1960, Americans’ personal debt amounted to about 55 percent of national income.

By 2007, Americans’ personal debt had surged to 133 percent of national income. As personal debt has grown, Federal debt has grown. It is estimated that by 2019 federal debt will amount to about 83 percent of GDP. By that year, interest

payments alone on the federal debt will cost \$803 billion.

These numbers are the outward sign of a values shift. If there is to be a correction, it will require a moral and cultural movement. Our current cultural politics are organized by the obsolete culture war, which has put secular liberals on one side and religious conservatives on the other. But the slide in economic morality has affected both sides equally.

If there is to be a movement to restore economic values, it will have to cut across the current trend, and its goal will be to make the United States again a producer economy, not a consumer economy. It will herald in a return to financial self-restraint, large and small.

A crusade for economic self-

restraint would have to rearrange the current alliances and embrace policies like energy taxes and spending cuts that are now deemed politically impossible.

But this sort of moral revival is what the country actually needs.

MELTDOWN PROMPTS NEW MONEY MINDSET

Daytona Beach News Journal—adapted

If the Great Recession has taught people one thing, it’s this: They need to take charge of their finances.

It’s a lesson plenty are heeding. People are saving more and spending less. The personal savings rate has risen to more than four percent after sinking to near zero in the months before last fall’s meltdown. The number of people getting financial counseling is 3.2 million, double the amount two years ago. In short,

there’s a quiet revolution taking place in the way people save, borrow and spend that represents a retreat from old habits, and the first steps toward new ones.

Economists expect the savings rate to top 6 percent in coming months if unemployment – which was 9.7 percent in August – continues to rise.

One big reason to save more now: Homeowners can’t depend on rising property values to refinance their mortgages to help cover household expenses.

WHAT ABOUT ACORN? Daytona Beach News Journal-adapted

So what does ACORN actually do, anyway?

The embattled community organizing group is much in the news these days, thanks to the idiocies of a handful of now-suspended staffers having been filmed and YouTubed by a right-wing sting squad. The appearance of the videos recently on a Fox News program set off a furor. The U.S. House voted to deny all federal funds for ACORN.

Most of the stories present ACORN is, at best, a shady organization up to no good in America's inner cities, not to mention the nation's primary source of voting fraud. Stung by the recession and a string of scandals, the ACORN community activist organization has found itself shutting down in many of the communities it once worked to empower.

ACORN was founded in Little Rock in 1970 as an organization agitating for free school lunches, Vietnam veterans' rights and more hospital emergency rooms.

ACORN has grown in the past four decades into the nation's largest community organizing group. Based in low-income neighborhoods, it has nearly 500,000 dues-paying members, recruited by door-to-door canvassers, with chapters in 110 cities in 40 states. Nationwide, it has more than 1,000 staffers.

What are the projects on which all these staffers and members work? Raising the minimum wage, for one. ACORN conceived and led the successful initiative campaign to raise the wage in Florida in 2004.

Another major campaign has been to limit the interest and fees that banks charge homeowners. It also counsels thousands of inner-city homeowners and home buyers.

ACORN's third focus has been to expand the electorate. In the 2007-08 election cycle, it registered 1.3 million new voters in the nation's inner cities.



**Bertha
Lewis, the
head of
ACORN**

By Joshua Roberts -- Bloomberg News

ACORN activists refuse to buckle to video scandal Washington Post -adapted

As the nonprofit strives to survive the worst scandal in its 39-year history, the organization is doing what it does best: mobilizing low-income people. In this case, the goal is to restore the organization's credibility.

The mobilization effort is unfolding on several fronts. People are being asked to speak up about how ACORN saved them. And ACORN officials say people are donating more money as they rally to the organization's defense.

ACORN activists across the country say being the voice for the voiceless is the real story of their organization. That's why they refuse to buckle to what they see as right-wing detractors trying to bring down the group because it teaches poor people to stand up for themselves.

Their work continues, whether its stopping bulldozing of flooded homes in New Orleans, building housing for the working poor in New York City or protesting teacher layoffs in Los Angeles.

Fallout from the videotape scandal has been harsh. ACORN lost millions of dollars in federal funding and associations with institutions such as Bank of America and the U.S. Census Bureau. Several states, including California and Louisiana, are investigating the group's operations.

In recent years, it has also weathered charges of voter-registration fraud and a \$948,000 embezzlement by the founder's brother. But the widely broadcast videotapes, recorded on hidden camera, have damaged the organization's credibility, perhaps irreparably.

The scandal has shaken the group. ACORN has suspended its tax preparation service and housing assistance program. Foreclosure clients are now referred to counselors at the U.S. Department of Housing and Urban Development.

Yet the group continues to operate. Staffers are being re-trained and procedures reviewed. Activists are working on other types of issues, such as the case of a New York City woman who says she was assaulted by a police officer.

No horse gets anywhere till he is harnessed.

No steam ever drives anything

until it is confined.

No Niagara is ever turned into light and power

until it is tunneled.

No life ever grows great

until it is focused, dedicated, and disciplined.

Foreclosures Rise 5 Percent Despite Government Effort Washington Post—adapted

The number of homeowners pulled into the foreclosure process increased by 5 percent during the third quarter as a government program to help borrowers stay in their homes struggled to gain traction, according to RealtyTrac data released recently.

RealtyTrac found that more than 925,000 borrowers received a foreclosure filing, which can range from default notices to bank repossessions, between July and September. That is up 23 percent compared with the same period last year.

The increase reflects both an acceleration of the foreclosure crisis as more borrowers fall behind on their payments and that banks are still working their way through a backlog of borrowers who have been delinquent for a long period, according to RealtyTrac. The firm says its data covers more than 90 percent of U.S. households.

Many banks delayed foreclosures earlier this year to put in place a federal foreclosure prevention program. But by the third quarter, bank repossessions had resumed their climb, according to the RealtyTrac data. The number of homes taken back by lenders increased 21 percent during the third quarter to about 238,000, according to RealtyTrac.

"Some of those were homes that were maybe in limbo that were finally foreclosed on in the third quarter," said Daren Blomquist, RealtyTrac's spokesman.

The federal foreclosure prevention program, known as Making Home Affordable, reached a milestone last week after lenders signed up 500,000 borrowers to the program. After getting off to a bumpy start, senior administration officials touted progress on the program and said it is gaining momentum. Overall, the administration aims to sign up to 4 million borrowers to the program before it expires in 2012.

LOAN LIMBO Daytona Beach News Journal -adapted

It's a cruel symptom of the housing crisis – many would-be homeowners are unable to move into their homes because lenders are backing out.

As property values plummet, those caught midway through new home construction learn an awful fact: They can't find a lender willing to give them a loan. Lenders are backing out, saying the home is no longer worth the original loan amount.

Lenders increasingly are deciding not to fund loans for new homes – even those that are partially or completely finished—because they're worth so much less

than the originally agreed-upon loan amounts.

New national appraisal rules were adopted in May to help ease the pressure on appraisers to meet pre-determined values. The rules prevent mortgage brokers from directly ordering appraisals and requiring mortgage lenders to delegate the hiring of appraisers to others on their staff or using an appraisal management company.

Appraisers are not accounting for the full value of up-grades and optional extras in new homes and borrowers also need to ensure they are getting full credit for the additional costs.

OWNING HOME STILL PAYS

Daytona Beach News Journal –adapted

For all the doom and gloom about the housing market, it still generally pays to own a home.

That might be a tough case to make right now to the 16 million homeowners who owe more on their mortgage than their house is worth.

Real estate is a leveraged investment; a 10 percent down payment produces a 1,000 percent return if the price of a home merely doubles.

Owning a home provides a sense of independence, security and community. And you get to live in your investment.

Of course, historical trends don't pay the mortgage. People who wade in and out of the housing market too often or who buy at the wrong time or price and need to sell quickly, can get burned. If you own for a decade or more, price appreciation usually overcomes even bad slumps.

You won't find many skeptics among people who bought homes in the '90s and still live in them. Their homes may be worth tens of thousands of dollars less than at the peak, but they're still frequently worth twice what the buyers paid.



Florida Community Development Association Newsletter

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Tough times never last, but tough people do.

-Anonymous

TAX TIPS FOR RECESSION VICTIMS The Washington Post – adapted

The Internal Revenue Service has put together a helpful list of questions and answers for people in financial trouble. You can see the full list by going to irs.gov and type in the search field "The What Ifs of an Economic Downturn."

For example, what if you lose your job and receive a lump-sum severance? Do you have to pay taxes on it? Of course you do.

What if you are paid for accumulated sick leave and unused vacation time? Also taxable.

However, if you receive public assistance and food stamps, those entitlements are not taxable.

What about unemployment benefits? Unemployment benefits vary, depending on where you live, but the average is \$305 a week. Normally, unemployment compensation is taxable. Yet thanks to the American Recovery and Reinvestment Act, the first \$2,400 of unemployment benefits is exempted from federal taxation – but only for the 2009 tax year.

If you lose your job, what expenses, if any, can be deducted? You may be able to claim certain expenses you rack up looking for a job, including resume and outplacement agency fess.

If you are unemployed, you might now qualify for the Earned Income Tax Credit which is meant for low-to-moderate-income working individuals and families. As a refundable credit, it means you can get money back even if you owe no tax or the credit is more than the tax owed.



HOW TO KNOW YOU'RE TOO OLD FOR TRICK-OR-TREATING

You get winded from knocking on the door.

You have another kid chew the candy for you.

You ask for high fiber candy only.

When someone drops a candy bar

in your bag, you lose your balance and fall over.

People say, "Great Albert Einstein mask!" and you're not wearing a mask.

When the door opens you yell, "Trick or....." and can't remember the rest.

By the end of the night, you have a bag full of restraining orders.

You have to carefully choose a costume that won't dislodge your hair-piece.

You're the only superhero in the

neighborhood with a walker.

You avoid going to houses where your ex-wives live.

-from *CleanJoke.com*

