

The Dallas Morning News

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Texas' Leading Newspaper

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50 cents

WATER HAZARD



Phil Mickelson will have a one-shot lead when the PGA Championship resumes today after play was suspended Sunday because of rain.

SPORTSDAY, 1C

'Hover' craft

How to avoid being "helicopter" parents whose hovering may hurt your children's coping skills.

TEXAS LIVING, 1E

Scattered storms



High: 94 Low: 77
5-day outlook, 2B

INSIDE



121 die on Cypriot jet

All 121 people aboard a Cypriot airliner — more than a third of them children and youths — were killed Sunday when the plane crashed into a mountainside north of Athens, Greece. 10A

WORLD

Iraqis may miss charter deadline

Iraqi leaders drafting a new constitution were deadlocked Sunday, raising the possibility they would not meet today's deadline for presenting a charter to the Assembly. 12A

NATION

White House names 1st female exec chef

Assistant White House chef Cristeta Comerford became the first woman and first minority to be named executive chef. 6A

TEXAS

3 children, father die in Grayson crash

A father and his three children were killed in a Grayson County crash when a trailer carrying heavy equipment separated from its cab. 5A

COLLIN COUNTY

Shelter to serve as bridge to foster care

A planned emergency shelter in Plano will give abused, neglected or abandoned children a bed until a more permanent foster home can be found. 1B

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Israelis' exodus from Gaza at hand

Strip sealed, 48-hour notices planned as army braces for defiance

By SCOTT WILSON
The Washington Post

GUSH QATIF, Gaza Strip — Israeli forces sealed the Gaza Strip on Sunday night and soldiers fanned out across Jewish settlements in the first scripted steps of

a military evacuation that thousands of settlers have vowed to defy.

In a brief midnight ceremony at the Kissufim Crossing in southern Gaza, Israeli army officials declared Gaza's 21 Jewish settlements a closed military zone, hours after infantry soldiers began taking up positions in empty blocks of tile-roof houses. Israeli armor deployed along settlement perimeters, kicking up clouds of

dust along fence-line roads.

"At this moment begins the operations," said Brig. Gen. Guy Tzur of Israel's Southern Command, moments after a steel gate swung down over the crossing that was affixed with a sign that read: "Stop: Entry into the Gaza Strip and Presence There is Forbidden by Law."

The declaration began a timetable that military officials hope will conclude Sept. 4 with the removal of the last of Gaza's nearly

8,500 Jewish settlers, a pool that has been lessening in recent weeks.

Israeli soldiers were scheduled to begin knocking on doors in the hours after the strip's closure, giving the remaining residents 48 hours to leave voluntarily or face eviction by force. Gen. Tzur predicted that many residents would leave over that time.

See RESOLUTE Page 20A

WHAT, WHY

- All 21 Jewish settlements in the Gaza Strip and four in the northern West Bank are to be evacuated.
- They are the first to be removed since Israel captured the territories in the 1967 Mideast War.
- About 9,000 Jews live in them.
- Israeli Prime Minister Ariel Sharon announced the plan in 2004 to separate Israelis and Palestinians after years of conflict.

THE PRICE OF PROSPERITY

Wrap it up — we'll take it



LARA SOLT/Staff Photographer

From left: Ashley Stillings, Kimberly Tedesco, Jaclyn King, Ivanna Rodriguez, Kalie Jamison, Megan Mousouleas and Nikki Foley watch a model search at Stonebriar Centre in Frisco, one of many places to spend in Collin County.

From SuperTarget to Armani, retailers in Collin County are cashing in on a bounty of buyers eager to acquire

Second of three parts

By PAULA LAVIGNE
Staff Writer

In a clearing amid thousands of Collin County rooftops lies an intersection of commerce — a mall with 160 shops near a Lowe's, a SuperTarget and the newly opened Ikea, a power center surrounded by dozens of stores selling everything from billiards supplies to Birkenstocks.

Bargain bins and boutiques see the bounty that lies in the region's high incomes, fast-paced growth and abundance of young families with kids.

Plano homeowner Mike Gleason, 64, describes what he calls the "Starbucks factor."

Will the good times keep rolling? 14A
Families live within their means. 15A
A nation of spenders, 15A

"Because there's so many of them, you can't help but stop. There's so many restaurants ... so many clothing stores. You can go on and on, and on every intersection in Plano, there's another shopping center," he said. "Sooner or later, one of those stores is going to entice you to come in."

If you're trying to control your spending, living here is — as one bankruptcy filer put it — like taking an alcoholic to a bar.

From the climate-controlled wine cellars to the \$1,000 preteen pedicure parties, opu-

lent opportunities abound for those who can afford them — or those willing to whip out a credit card.

It's a marketer's heaven.

From 1999 to 2004, the number of retail outlets in Collin County grew about 23 percent — the greatest increase among almost all other larger counties in Texas, according to a *Dallas Morning News* analysis of state comptroller records. There are about 10,000 storefronts.

Within blocks of Bond Conway's house in the Twin Creeks subdivision in Allen, he can get the car repaired, go to the grocery store or pick up fast food.

See YOU Page 13A

Pat-down complaints reveal fliers' outrage

Objections dropped after TSA scaled back screeners' body searches

By MICHAEL GRABELL
Staff Writer

In the nine months since the Transportation Security Administration scaled back its oft-critic-

ized pat-down search, the number of complaints about the procedure has plummeted.

Recently released documents covering the earlier period paint a troubling picture of the pat-downs' toll on airline passengers, especially rape victims and breast cancer patients.

In one incident, a Denver airport screener was patting around a passenger's breasts for explo-

sives when the screener felt something strange. "What is this? What is this?" the screener demanded, because the passenger's breasts felt different.

Embarrassed and in pain, the passenger responded that she had just had reconstructive surgery on one breast and still had stitches. She said the screener hurt her when she "yanked and pulled" her breast.

The incident was detailed in one of hundreds of formal complaints about pat-downs, which required screeners to check passengers between and below the breasts.

The *Dallas Morning News* recently obtained the complaints under the Freedom of Information Act.

See FLIERS' Page 2A

School report flawed

Charters botched data; they probably don't get more funds per student

By KENT FISCHER
Staff Writer

A recent report that found Texas charter schools receive more money per student than traditional schools was based on flawed data and is probably incorrect, the state's education commissioner has told lawmakers.

The report, a state-commissioned annual study of charter schools, was released in late June by the Texas Center for Education Research. The study was based on an analysis of state school data from 2003-04 and school financial figures from 2002-03, the most recent available in the database.

The study, which concluded that charters receive \$8,045 per student vs. \$8,028 for traditional districts, immediately raised eyebrows among charter advocates who were adamant that their independent public schools operated on less money than traditional schools.

Texas Education Agency officials initially vouched for the results but took a second look at the data and noticed problems.

See SOME Page 11A

Democrat going after governor

Bell talks of improving education, Texas with 'common sense'

By ROBERT T. GARRETT
Austin Bureau

AUSTIN — Democrat and former Houston Congressman Chris Bell launched a long-shot bid for governor Sunday.

A lawyer and one-time radio reporter, Mr. Bell said he would fight for Texans who are upset about higher state university tuition and costly home and auto insurance. He said parents also are unhappy with schools and indigent health care that he said rank close to the nation's bottom.

"I am getting sick and tired of Texas being the national headquarters of the Thank God for Mississippi Committee," he said while announcing his candidacy at his alma mater, the University of Texas at Austin.



Chris Bell

See BELL Page 2A



Photos by LARA SOLT/Staff Photographer

Angie and Sean Kanter (center) hang with baby Noah and Mr. Kanter's dad, Ron, and brother Bradley in the couple's Murphy home. Media rooms are standard in many new Collin homes.

You name it, they've got it

Continued from Page 1A

"There are three malls, including an outlet mall. We've got 10 banks to choose from and four grocery stores," he said. "I've never lived in a place that has so many things so close."

More than three dozen people interviewed about shopping in Collin County agreed: They've never known a place so saturated with stores.

When Laura and David Lozano moved to Frisco from Birmingham, Ala., the array surprised them as they drove up Dallas North Tollway.

"I thought, 'Wow, look at all those restaurants. Look at all this stuff,'" she said. On her days off from her job as a pediatric nurse, she said, she'll find herself wandering into shops she didn't plan on visiting while running errands.

A retailer's paradise

About 1,000 Collin County addresses are in the database of the wealthiest Americans compiled by the American Affluence Research Center in Miami. The center sells its list to companies catering to high-income households.

Dallas' shine and passion for high-society flair has spread to some of its suburbs. The wealthiest pockets, such as the old money of Highland Park, deserve their well-earned reputations. Some Collin County buyers might be stretching their credit capacities to keep up, but businesses are targeting the area for its potential.

- It's the wealthiest county in Texas and one of the wealthiest in the nation.

- About half the families have children.

- It's a growing area where retailers can build new stores, and cities sometimes provide tax incentives to lure them.

- Many residents are buying new homes, which they quickly furnish, landscape and decorate.

- White-collar workers and busy par-

ents have no time for chores — such as gardening, cooking, cleaning — so they demand services and often eat out.

David Muir, general manager of Millennium Motor Cars in Plano, said his Jaguar dealership rolled into Plano to follow the growth and money.

"It's a natural market for premium luxury cars, and it's expanding," he said.

As Jenny Proznik, a Frisco mother, wife, homeowner and storeowner, puts it: "There's nothing you're not in the market for. We are in the market for everything."

So how do these sought-after retail targets spend their money?

For busy families, there are gardeners,

nannies and housecleaners. Other businesses will deliver dry cleaning, run errands, plan children's birthday parties and even put up Christmas lights.

Labels from Armani to Yves Saint Laurent beckon at the malls, which are ringed by specialty stores.

Home decorating also demands cash.

Lisa Hamilton, 44, hired Vineyard Wine Cellars in Frisco to install a wine room in her Plano home after seeing the feature in the Parade of Homes — an annual builders' event featuring showcase houses.

"It was just something we thought would add value to our house," she said.

For about \$20,000, they had a children's toy closet converted into a temperature-controlled wine storage room for 625 bottles. But this is no glorified cooler. It includes premium redwood racks, slate floors, a wrought-iron door, a chandelier and a minibar.

Most new homes here come with game and media rooms, which call out for expensive toys.

Sean Kanter and his wife turned down several floor plans for their new \$250,000 home in Murphy because the media rooms were not up to snuff. The 33-year-old software quality specialist ended up designing the house around the

room.

'I was envious'

He was ready to hook it up with a big screen rear-projection TV. But then he saw his friend's media setup.

"I saw that and said, 'Wow, I've got to do that. I've got to change what I'm doing.' I was envious," he said.

A front-projection television and a few other tweaks pushed his budget to about \$18,000.

"He convinced me that when he sits in a media room, he wants to feel like he's at a movie theater," Mr. Kanter said. "He's right ... I want to feel like I'm in a movie theater."

Mark Yablon, a 40-year-old financial representative who works in historic downtown McKinney, said he strives to stay grounded in the more modest section of Stonebridge Ranch, a development that includes million-dollar spots. His home is worth about \$180,000.

But he sees the value in a bit of flair.

Mr. Yablon and his wife, Beth, joined Tournament Players Club at Craig Ranch in McKinney, where people rave about the clubhouse dinners as much as the putting greens.

It's \$50,000 up front and more than \$500 a month. Mr. Yablon plans to improve his golf swing with his wife and their four daughters and maybe close a few business deals.

"My clients might see I'm serious about my business, but I know how to have fun," he said. "It shows I don't just talk about quality, but I try to live it."

Email plavigne@dallasnews.com

DallasNews.com/extra

- How does your family compare? Calculate your Collin County quotient.

- Chat with reporter Paula Lavigne at 11:30 a.m. Tuesday and parent educator Mia Mbroh at 12:30 p.m. Wednesday.



Nash Gammill, 18, models shades for other Plano West Senior High students at The Shops at Willow Bend in Plano. "There is a point where you're trying to make an impression, and that leads to competition," he said.

Telecom industry flopped, and the money ran out

Thinking sunny days would soon return after husband lost his job, couple spent their way to rock bottom

By PAULA LAVIGNE
Staff Writer

A week after 37-year-old Jeffrey moved to North Texas from Southern California, he lost his job.

His telecom job. His story follows a familiar script: Eleven months passed. The new position he found paid less. Savings ran out in six months.

In June 2004, the family filed for bankruptcy.

Often the trail to bankruptcy court in Collin County is strewn with telecom pink slips. Sometimes it's a combination of gross overspending and unemployment. But more often, as was the case with Jeffrey, it's the result of delayed reaction.

"It's not like we were spendaholics," he said. "We got to the point where we were maintaining a lifestyle, and the income stopped and the savings ran out,

and you can't maintain that lifestyle anymore."

They traded their \$800,000 home in California for a \$600,000 home in McKinney, but that extra money didn't last long, he said.

"We kind of maintained our lifestyle from Southern California rather than take the opportunity to lower our lifestyle cost when we moved somewhere that was much cheaper," he said.

His job in telecom marketing and sales paid about \$245,000 a year. In his first few months without a job, the family spent as usual because he figured he'd be working in a month or two, he said.

He and thousands of other former telecom workers are still waiting for that speedy recovery. Jobs in all sorts of industries disappeared from 2000 to 2003 in the Dallas area, but information and telecommunication jobs crashed harder — down almost 23 per-

cent. And while other sectors have recently rebounded, the demand for telecom jobs has leveled off as companies redefined themselves, replaced workers with new technology and outsourced jobs locally and overseas, economists say.

As time wore on, Jeffrey and his wife knew they were in trouble.

Before losing his job, they would charge \$3,000 to \$4,000 on their credit cards — mainly for high-dollar items such as computers and vacations to Europe, Hawaii and Australia — and pay them off at the end of each month. When they fell behind on the payments, their interest rates shot up.

Other bankruptcy filers hit the same wall. With the current average standard-variable credit card rate of about 13 percent, an unpaid balance of \$4,000 can grow to about \$4,043 the next month, depending on how the creditor calculates the interest. If people fall behind in their payments, creditors raise their rates, and interest snowballs.

The family began charging necessities, such as food and health care cover-

Editor's note: This couple did not want their full names to appear in The Dallas Morning News. Their story has been verified using U.S. Bankruptcy Court records. The News contacted more than three dozen individuals and couples with similar stories, who also asked their names be withheld.

age for themselves and their 5-year-old son and infant daughter.

The family struggled along for about a year before they filed for Chapter 7 bankruptcy. They still had to pay their mortgage, but the credit card and consumer debts were forgiven.

Jeffrey landed a new job, but the new salary was about \$100,000 less. Living within their new means forced other changes.

They downgraded from a Cadillac Escalade (about \$62,000) and Mercedes S500 (about \$80,000) to a Volvo S60 (about \$27,000) and Chrysler Pacifica

(about \$20,000), he said. They buy their food at Wal-Mart and Target now instead of the upscale Market Street store in McKinney. They don't buy furniture from Ethan Allen or shop at Nordstrom, or take vacations overseas.

"I don't know if it was hard to give things up. It was more the embarrassment factor and what people think of you," he said. "I don't care about driving a Volvo instead of a Mercedes. I care that other people notice I'm not driving a Mercedes and now I'm in a Volvo."

They were able to hold onto their house.

He plans to save a year's salary — maybe two if he can manage it — from now on. It will take about five years to reach that point.

He said bankruptcy pressed his family to reprioritize and set reasonable expectations.

"Not that it wouldn't be hard to slip back into it. I still look at expensive cars and think, 'Wow, that would be kind of cool.'"

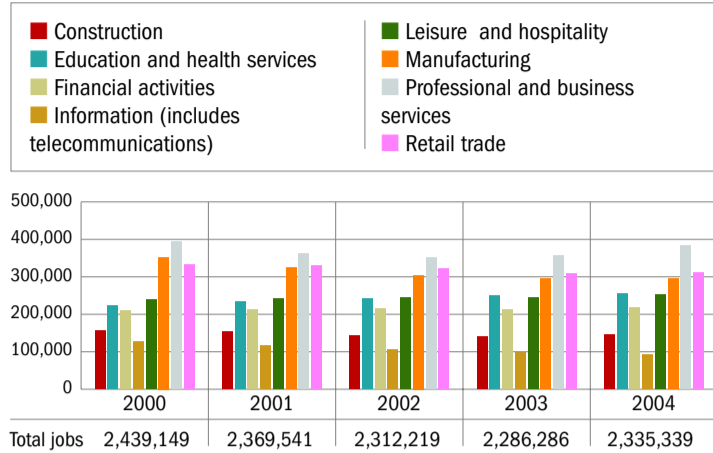
E-mail plavigne@dallasnews.com

THE ECONOMIC FRONT

A look at some Collin County numbers in several employment and retail areas:

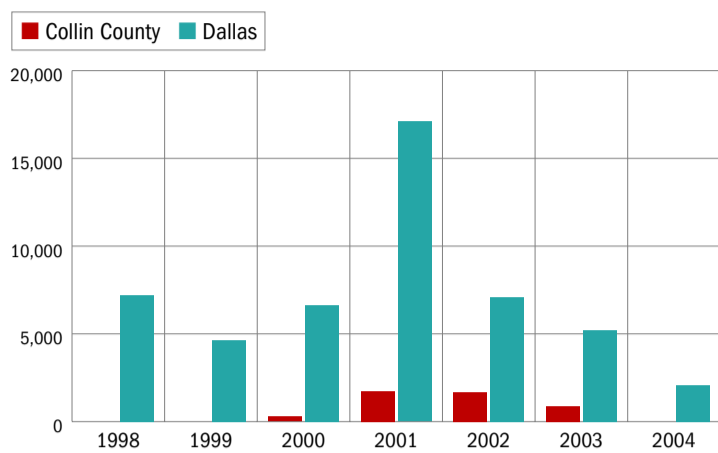
EMPLOYMENT IN SELECTED SECTORS

Although the total number of jobs in the Dallas-Fort Worth area dropped yearly from 2000 to 2003, employment did rebound in 2004. However, information and telecommunication jobs continue to decline.



THE JOB LOSS PICTURE

From 1998 to 2004, about 54,500 people in Collin and Dallas counties lost their jobs in mass layoffs. A comparison of layoff-related joblessness between the two counties:



THE WAGES OF PROSPERITY

Collin County ranks lower than its 12 U.S. peer counties in private-industry wage growth.

County	Average annual pay in 2003	Percentage change in annual pay from 1996 to 2003
Fairfax County, Va.	\$57,500	51.5%
Santa Clara County, Calif.	\$67,419	47.0%
Prince William County, Va.	\$31,855	44.3%
Somerset County, N.J.	\$62,327	42.8%
Fairfield County, Conn.	\$64,654	39.1%
Howard County, Md.	\$43,336	38.2%
Montgomery County, Md.	\$46,497	36.1%
Contra Costa County, Calif.	\$46,631	35.7%
Morris County, N.J.	\$56,188	30.4%
Nassau County, N.Y.	\$41,595	28.2%
McHenry County, Ill.	\$34,180	27.3%
Rockland County, N.Y.	\$39,661	25.2%
Collin County, Texas	\$43,046	25.0%

SOURCE: Dallas Morning News analysis of data from the U.S. Bureau of Labor Statistics

WHERE THE CASH CAN FLOW

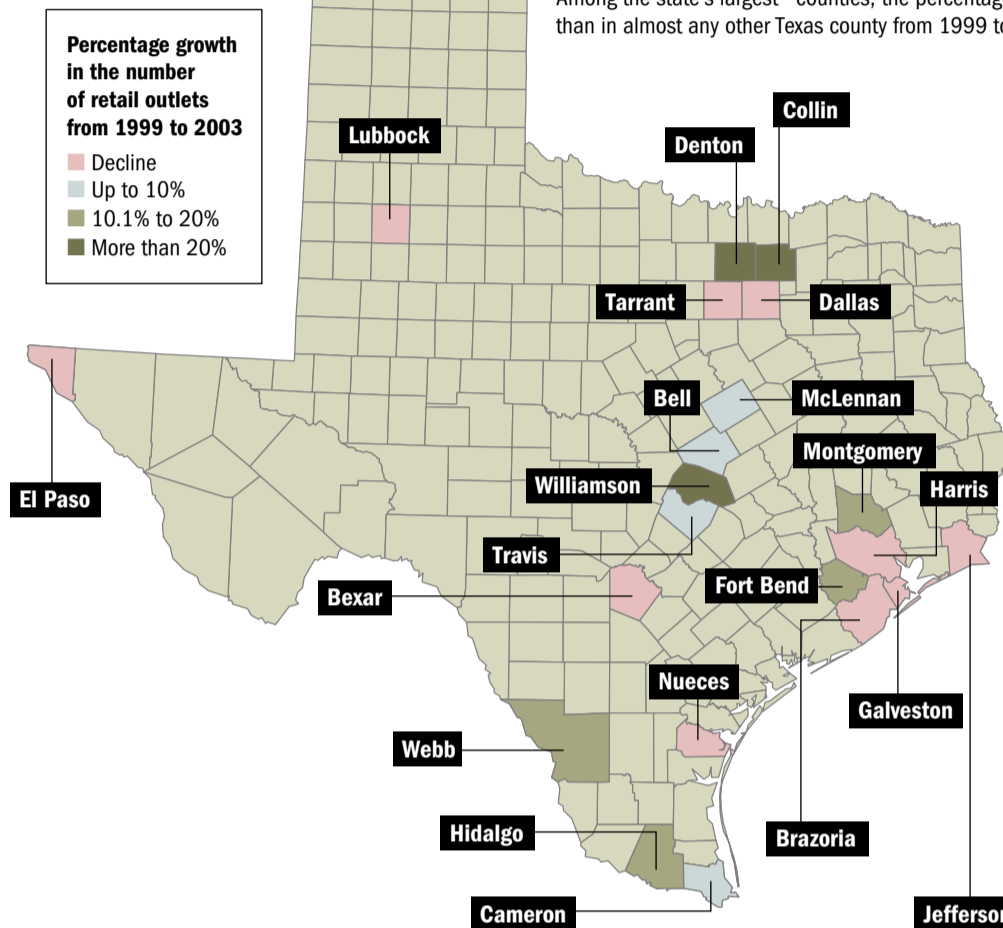
A look at select types of retail and service outlets available in Collin County:

Type of store or service	Number of outlets in 2003	Growth of outlets since 1999
Drapery, curtain and upholstery stores	38	322%
Physical fitness facilities	27	125%
Jewelry stores	287	85%
Membership sports and recreation clubs	22	83%
Miscellaneous home furnishing stores	232	81%
Department stores	41	71%
Restaurants and bars	1,316	67%
Beauty shops	246	62%
Hobby and toy stores	376	53%
Wine and beer stores	30	50%
Motorcycle dealers	13	44%
Boat dealers	7	40%
Security systems services	50	32%
Floor covering stores	64	28%
Mens and boys clothing	28	27%
Gift and novelty and souvenir shops	1,006	24%
Household appliance stores	44	22%
Grocery stores	102	20%
Furniture stores	163	14%
Computer and software stores	382	12%
Auto and home supply stores	163	10%
Luggage and leather goods	4	0%
Motor vehicle dealers new and used	38	0%
Recreational vehicle dealers	1	-50%

SOURCE: Dallas Morning News analysis of sales tax data from the Texas Comptroller of Public Accounts

OPPORTUNITIES FOR A SHOPPING SAFARI IN THE STATE

Among the state's largest* counties, the percentage of retail outlets grew by a larger percentage in Collin County than in almost any other Texas county from 1999 to 2004. Williamson County had the highest growth.



County	Number of retail outlets in 2004	Percentage change since 1999
Williamson	4,877	28.6%
Collin	9,806	22.9%
Denton	7,585	20.2%
Montgomery	5,393	16.3%
Hidalgo	8,581	13.8%
Fort Bend	5,253	12.7%
Webb	3,495	10.6%
McLennan	4,445	6.5%
Bell	3,519	6.5%
Cameron	4,957	6.3%
Travis	16,697	3.2%
Bexar	22,029	-1.3%
Brazoria	3,802	-2.2%
Galveston	4,257	-2.4%
Harris	57,666	-3.6%
El Paso	9,710	-6.1%
Tarrant	23,844	-6.7%
Lubbock	4,390	-7.4%
Nueces	5,120	-7.7%
Dallas	36,776	-12.6%
Jefferson	3,957	-14.4%

* Counties with 200,000 or more residents.
SOURCE: Dallas Morning News analysis of 1999 and 2004 fourth-quarter sales tax data from Texas Comptroller of Public Accounts

TOM SETZER/Staff Artist

Will the good times keep rolling?

Collin County has had its share of financial woes, but experts say the area might emerge from slump stronger than before

By PAULA LAVIGNE
Staff Writer

Growth keeps the Collin County area's economy humming. Yet foreclosures and bankruptcies climb. Credit card debt balloons. Existing home values remain flat.

Despite those symptoms foretelling rocky times, local economic experts say this area will probably maintain its status as one of the wealthiest in the nation.

Dr. Kathy Hayes, economics professor and associate dean for academic affairs at Southern Methodist University, said there's enough stability in Collin County.

"I think it's really a short-term problem. I don't see any real warning signs," she said. "I know they've had it rough for a few years."

The recession hit North Texas harder than most places in the country, primarily because of the impact on the area's largest industries: airlines, technology and telecommunications.

Bust devastated industry

In the Collin County area, bankruptcies became increasingly common among former telecom workers. The bust hurt more here than in some other high tech areas, such as Silicon Valley in Northern California, because it devastated an entire industry, said Fiona Sigalla, economist with the Federal Reserve in Dallas.

"Silicon Valley is known for having a lot of high-tech companies, and it might be easier to jump from [one company to another]," she said. "We saw an entire industry that had been growing very rapidly contract very rapidly. We didn't have as many other opportunities for people within the high-tech sector to go into."

While the information and telecommunication sectors haven't posted big gains in North Texas, other industries are starting to create more jobs. Ms. Sigalla said there are signs that overall employment will continue to grow.

As of May, the Dallas metropolitan area added at least 37,500 jobs from the year before. Overall, the average annual

pay is up 25 percent since 1996, a smaller increase than other high-income counties around the country, according to the U.S. Bureau of Labor Statistics.

"You can look at Collin and say there are some unemployed workers and some open office space, and that's not as healthy as it was three to four years ago, but you can also say that's much more attractive for companies looking to expand," she said.

Another sign of the county's continued prosperity — retail spending. Though sales in Collin County dipped from 2002 to 2003, they rebounded in 2004. Overall buying is up almost 30 percent since 1999, according to a *News* analysis of state comptroller records.

John McGrane, Plano's finance director, said earlier this year that sales tax revenue was doing better than expected.

Plano and other cities continue to attract businesses, retail and commercial. Officials are trying to diversify their employment base so the cities don't suffer as much if one industry takes a hit.

While consumer spending is good for the region, it is good for the people racking up the bills?

What really matters is debt relative to wealth, said Michael L. Davis, a lecturer who teaches economics and finance at Southern Methodist University's Cox School of Business.

"For a lot of people nowadays, much of their wealth isn't what you can measure in a bank account or housing value," he said. "There are a lot of people who are highly trained and highly skilled and have wonderful future employment opportunities."

That paradox also applies to other economic indicators.

There's a stigma to filing for bankruptcy, but trustees and attorneys say people who've had their debt erased actually become better consumers and investors.

A Plano mom, who spoke only on the condition her name not be published, filed for bankruptcy after accumulating \$60,000 in debt. She said she's now put-



LARA SOLT/Staff Photographer

There are plenty of places to spend in Collin County. From left: Tiffani Stillwell, 10-year-old Deja Glover, Tracy Glover and Retia McDempsey search for the perfect purse at Sam Moon Trading Co. in Frisco.

WHERE THE MONEY GOES

Here are the top six places residents spend their money.

	Amount spent*	Value is equivalent to ...
New and used motor vehicle dealers	\$1.3 billion	General Motors Corp.'s entire earnings in the second quarter of 2004.
Department stores	\$987 million	The state of Texas' entire emergency "rainy day" fund in fiscal 2003.
Grocery stores	\$944 million	The total earnings of snack and soda maker PepsiCo Inc. in spring 2003.
Places to eat or drink	\$769 million	The entire U.S. agricultural trade surplus in August 2003.
Furniture stores	\$183 million	The amount Texas got for homeland security spending in the first round of federal handouts.
Computer and software stores	\$175 million	What insurance giant Fidelity paid to acquire an entire bank software company, Sanchez Computer Associates Inc., in 2004.

*Figures are gross sales in 2003
SOURCE: Dallas Morning News research and analysis of sales tax figures from the Texas Comptroller of Public Accounts

TOM SETZER/Staff Artist

ting 30 percent of her income into savings and holding off on some home repairs until she can pay for them outright.

"If there's something you want, and it's not a necessity, you don't buy it unless you can pay cash," she said. "If Foley's is having

a Red Apple Sale, don't go."

In five years, more than 7,000 Collin-area residents left creditors hanging with millions of dollars in forgiven charges. Even so, economists here say, the area's financial health has not suffered as a result.

People struggling with debt had been trying to get home equity loans to pay off their credit cards. In 2003, more than half of Republic Title's residential business was home loan refinancing, and in 2004 that dropped to 20 percent, said Patience Francis, vice president of training and education with the company's Plano headquarters.

In many cases, people had not built up enough equity in their homes to make refinancing worthwhile, and flat home values further stalled their progress, said Ms. Sigalla, the Federal Reserve economist.

But she said lower home prices would benefit the Dallas area in the long run because they reflect their true values.

In other regions of the country, people fear that out-of-control values are creating a housing bubble that could eventually pop.

Looking ahead

City and business leaders share in the optimism. They expect their communities to prosper and diversify. Frisco City Manager George Purefoy said his city's challenge is to sustain its high standard of living as development moves north. That's why the city worked hard to attract a soccer complex and a mix of retail.

"We don't want to create something here so that when the newness falls off that it falls on hard times," he said. "We always wanted to be a complete city and not just somewhere where people sleep at night."

Sitting firmly in the middle

These Collin County residents live within their means, regardless of income

By PAULA LAVIGNE
Staff Writer

Karen Cathey stuck it out for two years in the popular west McKinney Stonebridge Ranch subdivision.

But it was too pristine. Too perfect.

She moved back into her 87-year-old, \$125,000 brick house in east McKinney, canopied by two Chinese pistachio trees and a variety of full-grown elms.

"It just wasn't my style," she said. "Some people like conformity. ... I like some disarray."

That's not to say Ms. Cathey couldn't play the game. She's an estate-planning attorney who has been practicing law for more than 20 years.

As she puts it, "I make a very nice living. More than I need."

Ms. Cathey sautés mushrooms and peppers in her well-worn kitchen while Rusty the golden retriever splays like a rug before the refrigerator.

She points above the entryway to a long, wide crack in the wall.

She's been meaning to get it fixed, but there's no rush. It's part of her home's character, just like the 12-inch plaster crown molding, hardwood floors and tiled fireplace.

"It's not fancy. It's not elegant. But it's extraordinarily comfortable," she said.

Ms. Cathey is on her third Ford Explorer, now parked in her gravel driveway.

"I look around and see people driving a Cadillac SUV. Cadillac SUV. I think, 'Why?'" she said.

Rather than splurging on the latest trends, she poured money into investments, cleared all her debt, paid her daughter's tuition at Rice University and built an impressive collection of Nancy Drew books.



LARA SOLT/Staff Photographer

Newlyweds David and Laura Lozano say they have resisted the urge to lavishly furnish their \$450,000 home in the Lone Star Ranch subdivision in Frisco. The pediatric pulmonologist and his wife, a pediatric nurse, say they plan to fill the house with children.

Happy where they are

The Shermans live in a \$58,000 condominium in the North Dallas sliver of Collin County. Their condo is on the far southwest boundary of Plano West Senior High School, where daughter Whitney was a senior this past year.

Susan Sherman, Whitney's mother, said her family's income was probably in the middle or lower brackets compared with the more affluent students at Plano West.

"We're not in that elite group by any means," she said. "We just chose to try to be more middle ... ground."

They noticed the competition, and the people who judged others based on the size of their houses or the makes of their cars, but it didn't inspire the urge to

spend.

Whitney's parents bought her a 2001 Chevy Camaro, not a BMW or Mercedes. They also cut off her \$30-a-week allowance this past year when she started working at Circuit City.

Whereas some families fly to Europe during school breaks, the Shermans travel to Austin or Corpus Christi.

"And just because it's spring break doesn't mean we're going to go on a trip, either," Mrs. Sherman said. Both she and her husband work in real estate and cannot always take time off when Whitney is on break.

Mrs. Sherman said it would be nice to have a big house like many other Pla-

no West families, but the couple has chosen to live in a condo so they have money for other things — including Whitney's tuition at the University of Texas.

"We choose to live comfortably. We don't want to be house poor," she said.

One thing at a time

David Lozano, 34, knows his \$450,000 Frisco home is large for young newlyweds, but he and his wife plan to fill it with children.

"I think a lot of people think we're living beyond our means," he said.

Their perception changes when they find out that he is a pediatric pulmonol-

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Tell Us: How do you balance shopping and saving?

ogist and his wife, Laura, 25, is a pediatric nurse.

Aside from the house — which they consider an investment — they haven't rushed out to spend. Some rooms in their house don't have furniture. Their living room is free of knickknacks. And their poolside patio isn't jammed with plants and chaise longues.

They didn't buy a dining room set last

year until they needed to seat relatives at Thanksgiving.

They drive a Volkswagen Jetta and a Honda Passport.

Resisting the pressure has had mixed results. At the stores, Ms. Lozano said, she doesn't get treated the same as women dressed head to toe in designer labels.

Dr. Lozano said a nurse actually praised him when she saw his car.

"[She] made the comment, 'Gosh, I think that's just so cool that you don't drive such a brand new car. You're happy with what you have.'"

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A nation of spenders

Low interest rates, modest inflation, high home values help drive consumer society

By ANGELA SHAH
Staff Writer

Collin County residents might have an affinity for shopping on credit. They're not the only ones.

"Americans will buy anything that walks, moves, looks good, reads well, has a fancy color," said Richard W. Fisher, president of the Federal Reserve Bank of Dallas, in a recent interview. "We're the greatest consumers God ever put on Earth. It's what we do better than anybody else."

In recent years, Americans have flocked to malls, boutiques and car showrooms. Come recession, job loss or terrorism, U.S. consumers never stopped spending.

That activity kept the U.S. economy humming despite a series of catastrophic blows, each of which could have derailed

growth. In fact, the slowdown would've been much worse — think more layoffs, even fewer income gains — if consumers had pulled back spending.

Such a consumer society is driven by more than Americans' object lust for products that are newer, better and stronger. Buying has never been easier, economists say.

There's little inflation. Globalization, which allows for products to be made at lower costs, helps to keep retail prices down.

The lowest interest rates in a generation have made the large new houses in suburbs in North Texas and elsewhere easier to purchase than ever. Financial institutions have created a number of new tools, especially in mortgage financing, that enable more people to buy homes.

And even while home values have risen steadily in Texas, few economists predict a housing bubble here.

But those higher values have turned houses into cash machines, allowing people to borrow money through home-equity loans.

Real estate net values account for \$4

trillion, or 70 percent, of the rise in overall household wealth since 2000. That's pumped up consumer spending by \$50 billion per year.

The money has rippled throughout the economy as new furniture and appliances and as payments for remodeling services.

Certainly, there is pain. Some jobs — especially those in the telecommunications sector, which has shed tens of thousands of positions — are gone forever.

But economists say Collin County's spending patterns aren't that alarming. The tech bust hit North Texas particularly hard.

"In many ways, the region's economy has yet to recover," said Mark Zandi, chief economist at Economy.com.

But he added that, fundamentally, the "Dallas economy is very strong," which boosts consumer confidence and, in turn, encourages spending.

Many economists also point out that consumer balance sheets are healthier than suggested by high debt loads in government data. In the first quarter of 2005, U.S. households' debt equaled 18.45 percent of disposable income, according to



LARA SOLT/Staff Photographer

Collin County Constable Sgt. Gary Boone removes items from a foreclosed home in the Stonebridge Ranch subdivision in McKinney. Constable offices have responded to numerous foreclosure postings, making sure that homes are empty for the new owners.

the Federal Reserve Bank.

Incomes, however, are generally keeping pace with consumers' shopping hab-

its.

For the year that ended in June, personal incomes rose 6.6 percent, while consumption increased by 6.7 percent in that time, according to the Bureau of Economic Analysis.

The national savings rate came in at a seemingly low 1.5 percent year over year. But that figure doesn't factor in equity and home price gains, and retirement plans — all of which boost household wealth and contribute to spending.

"Despite the frequent warnings that Americans are living beyond their means, data from the last year suggest that there is a healthy balance between income growth and consumption," said Brian S. Wesbury, chief investment strategist for Claymore Data Watch.

The shopping spree won't go on forever. Economic forces — including the Fed's ongoing rate-hiking campaign — will serve to curb Americans' retail appetites.

"That's not necessarily a bad thing," said Anthony Chan, managing director and senior economist at J.P. Morgan Asset Management. "It's exactly what we want to do to make the expansion more sustainable."

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ABOUT THE SERIES

For this project, more than 120 residents, business owners, economic experts and other individuals were interviewed to determine how the Collin County area's wealth compares with its peers around the country. Data was analyzed from more than 15 sources, such as the U.S. Bankruptcy Court, Claitas Market Audit, the U.S. Census Bureau, the Texas Workforce Commission, the state Office of the Comptroller and the U.S. Bureau of Labor Statistics. In every case, the newspaper requested the most current data available. The data come from a mix of individual headcount, or case-by-case, records and surveys. Collin County's 12 peer counties were chosen based on incomes and the availability of related data.

Coming up

☐ **Sunday:** The Collin County area's wealth might not be what it seems.

■ **Today:** The region is a lush target for retailers hungry for frequent spenders.

☐ **Tuesday:** A look at the engine behind the spending — the children.

The findings

● Collin County is the richest county in Texas and among the wealthiest 1 percent nationwide, based on the area's high median household income of about \$71,500 per year.

● On average, Collin County residents have more credit card debt — \$4,200 — than other high-income counties.

● Overall, residents show a lower net worth than those in similar counties at \$125,000.

● Bankruptcies — about 3,500 last year — more than doubled over five years, outpacing all other similar-size counties.

● About 3,300 homes were foreclosed upon last year; two-thirds of those were in higher-income neighborhoods.

● Data cannot determine how many of Collin County's 600,000 residents live within these spending and debt trends. There are thousands of exceptions, including the truly wealthy, residents who live well within their means and the poor.

● About 56 percent of the population hovers around the median household income, bringing in anywhere from \$50,000 to \$150,000 annually. As a group, residents are younger than their counterparts around the country — a median age of 33.4 years.

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Review this series including an interactive map of comparable suburbs nationwide and answer questions to see how "Collin County" your family is.

DiscussLive: Chat with reporter Paula Lavigne about this series, her research and the implications at 11:30 a.m. Tuesday. Chat with parent educator Mia Mbroh about parenting amid the pressure to spend at 12:30 p.m. Wednesday.

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