

HANGIN' OUT



Tori Tinnin, a sophomore business major, and Lamarr Dixon, a sophomore mathematics major, enjoy a quiet moment behind Steele Building.

Wage increase could mean higher prices for all

BY MELISSA STEELE
SENIOR WRITER

Local employees and business managers said they were beginning to wonder if there's more to the recent minimum wage increase than meets the eye.

President Bill Clinton signed a bill Tuesday that will increase minimum wage to \$4.75 starting Oct. 1, 1996, and then to \$5.15 on Sept. 1, 1997. The raise means that many hourly employees will be pulling in larger paychecks. But businessmen said they are afraid they'll be swallowing the difference.

"I don't think (the wage increase) is going to help anyone," said Jamil Qurneh, manager of Subway on Franklin Street. He said the initial 50 cents won't make

much of a difference to the part-time workers he employs for only a few hours per week. The consumers are the ones who will really pay, Qurneh added.

"It's going to hurt the consumers in the long run because we're going to have to raise our prices," he said. He anticipates many fast food restaurants eliminating their "value meal" menus and going back to regular prices and possibly even raising other prices.

Deciding how to make up for money lost to higher wages is left up to individual business owners. Taking it out of the business' existing funds, raising the price of their merchandise, hiring fewer workers or firing current employees are a few options they listed.

Donna Devanney, manager of Caro-

lina Pride Sportswear, said she had not given the wage increase much thought yet, but said, "I think it's about time they increased minimum wage."

Carolina Pride employees start at minimum wage so the business will be directly affected. Devanney will have to do something to make up for the increase in pay.

"I'll probably have to hire less people and make them work more," she said. "But I'm not exactly sure what I'll do."

Several store managers in Chapel Hill said their employees already start out at a rate higher than minimum wage, so the bill does not really affect them. However, it is possible that the workers who manufacture the clothes or products sold in these stores work for minimum wage,

which would cause the manufacturing cost to increase.

"I think (the wage increase) will set a trend for all businesses," said Chuck Helpingstine, owner of Johnny T-Shirt. "Prices will have to go up because they're determined by the manufacturer."

Helpingstine said he might not raise his employees' pay at exactly the same time as the bill goes into effect, but an increase will follow closely.

Qurneh said he increased the starting pay rate at Subway from \$4.25 to \$5.00 per hour a couple of weeks ago, knowing that the bill would pass. He said he tried to keep his new employees' starting rate at minimum wage for a trial period to determine if they will be dependable workers.

University to foot bill for graduate student health insurance

BY DAVE SNELL
STAFF WRITER

Thanks to a change in state law adopted by the N.C. General Assembly, UNC-Chapel Hill's graduate students will receive free medical insurance this year.

The new law, which allows the University to draw from its own budget to provide such insurance, will affect about 5,300 UNC-CH graduate students.

Graduate and Professional Student Federation President Katherine Kraft said the new insurance plan would give UNC-CH a more competitive edge in attracting quality graduate students.

In the past, the University had trouble

retaining graduate students because of low stipends, policies against granting remissions or full waivers and lack of affordable insurance, Kraft said.

"People need to recognize graduate students are recruited just like athletes are recruited," Kraft said.

But Chancellor Michael Hooker said an even more important issue than recruiting advantages was providing for the security of students.

"It's an issue of fairness and justice more so than just being competitive with the University of Virginia and other comparable institutions," Hooker said.

Until this year, the University had no funds for school-sponsored graduate

health insurance, when the legislature allocated \$17.8 million in academic enhancement funds.

Legislators passed a law which allowed the two universities to use some of the money to pay for graduate student insurance.

Under the new plan, all graduate students will receive free medical insurance this year, to be paid for by the academic enhancement fund. Over the next three years, the cost will be transferred to alternate funding sources, such as grants, for the 1,500 graduate students receiving less than \$2,000 from state sources, Kraft said.

Graduate students getting more than \$2,000 from the state will continue re-

ceiving insurance paid for by the University.

Hooker said the money would be part of the state's continuing appropriations, allowing the University to continue to offer the service even after the initial funds run out.

Graduate students used to have the option of buying the UNC Student Preferred Medical Insurance Plan for \$654 annually, the same price paid by all students. The University will now cover that cost.

The implementation date is Sept. 30, Kraft said.

John Sweeney contributed to this story.

Chapel Hill agency assists students with financial woes

■ A Franklin Street agency helps students and residents budget their finances.

BY LAURA GODWIN
CITY EDITOR

The beginning of the school year brings more than just new professors and new classes. For many, it can mean charging hundreds of dollars for books, groceries and supplies. All too often, those charged dollars become lingering debts.

There is help available to students and residents who find themselves dealing with mounting bills. The Consumer Credit Counseling Service, located at 1829 E. Franklin St., is a nonprofit agency that specializes in helping consumers control mounting debts.

Leslie de Monchaux, a counselor for the service, said her organization's primary function is to be a resource to those who want to become better consumers.

"Probably about nine out of 10 folks come in for counseling and probably about one out of 10 come in for debt management," she said. "We try to work through how much to spend a month."

The service is part of a nationwide program. Locally, it receives funding primarily from the United Way, Orange

County and the towns of Carrboro and Chapel Hill.

De Monchaux said most students fall into trouble financially when they make credit card purchases.

There are some people who fall into financial trouble for "legitimate reasons" such as a sudden illness, "then there are the people who just know they don't have the money and put it on the Visa card anyway," she said.

John Deak, a junior from Winston-Salem, said the beginning of the school year brings worries which make it easy to lose track of personal finances. "You just get caught in the early rush," he said. "I'm just too busy to worry about personal finances."

De Monchaux said that students are not bad consumers, rather, most are uneducated about good money management. "I don't know where people are expected to learn money management," she said. "You just don't learn this stuff out of the air."

Freshmen who are away from home for the first time pile up debts, because the typical parents do not share with their children how to manage their funds, de Monchaux said.

Deak said being away from home made a difference in his personal finances. "It's a lot of stuff to start out with," he said. "Money was always there when

"I don't know where people are expected to learn money management."

LESLIE DE MONCHAUX
Certified Consumer Credit Counselor

your parents were around."

For students who might have charged too much during the book rush, de Monchaux said the counseling service can help.

Because the counseling service is part of a nationwide program, de Monchaux said she is able to deal with credit card companies directly and sometimes get them to accept a lower monthly payment.

When clients come to the service, they receive a one-on-one counseling session in which a budget is worked through. "We try to work through how much to spend a month," she said. "A lot of times all people really need is a plan."

For those consumers who have good credit and would like it to remain that way, de Monchaux recommends buying a money management self-help book. "Make steps to educate yourself, because now is the time to keep these devastating debts from piling up," she said.

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