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MONEY MAKEOVER

## Meet Mr. Saver, Mrs. Spender

By David Butts  
Advertiser Staff Writer

This is the story of Tessie, the spender, who married Tony, the saver.

Tony Schmisser tolerated Tessie Schmisser's shopping in the early days. Tessie put up with Tony's lack of fashion sense.

"I enjoy shopping; he doesn't," says Tessie.

No problem. They each had a career and a separate checking account, and all was well.

Then came baby Katelyn and 18 months later, little brother Trevor.

Tessie switched to substitute teaching instead of full-time, so she could stay home more with the kids. Their combined income dropped from about \$100,000 a year to \$70,000. That's still enough to cover their monthly expenses and put away a few hundred dollars a month for retirement.

But in a couple years they hope to send the little ones to private schools. With tuition at Punahou clocking in at \$12,050 this fall, that could be tough. So they are seeking financial advice.

"The No. 1 important thing is to begin thinking about a budget," said Harry Kasanow, a Manoa financial planner.

As many married couples know, that can open the door to a pack of touchy issues.

Tessie, 40, grew up in Hawai'i with doting parents who sent her to Maryknoll School, paid for her college and helped her with the downpayment on her condominium. She likes to shop for clothes, bags and shoes at the mall and traded in her BMW for a new Lexus four years ago.

Tony, 37, grew up in Indiana with a single mom who was studying to be a nurse. Money was tight. Tony attended a public school and bought his clothes at the thrift store. He worked as a masseur to pay his way through college. He saved and invested in mutual funds and was able to afford the downpayment on an 'Aiea home before they got married. He drives a Nissan pickup.

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"Our values, our perceptions, our attitudes, everything about money is so different," said Tessie. "He's used to not having it, and I'm used to not having it be an issue."

Tony thinks Tessie would be more concerned if she handled the finances more. "She has no idea what it costs to live," he said. But Tony also admitted he does not like budgeting himself. "It's depressing," he said.

Kasanow suggests they start by just tracking their spending. "The process isn't meant to make you not have fun. It's meant to help you meet your goals," Kasanow said.

Kasanow says the easiest way to follow your money is to pay for everything with credit cards (provided you pay the full balance each month) or checks. Don't use ATMs, he says. They zing you with the \$1 charge for a non-network machine and then you have no paper trail for your spending.

The Schmisiseurs put together an estimate of their monthly income and expenses and found they are just about breaking even. Tony works as a nurse at The Queen's Medical Center where he made about \$55,000 last year (one month of salary was lost when the nurses went on strike). Tessie, who used to earn \$40,000 a year teaching at the Hawai'i Center for the Deaf and Blind, now earns about \$12,000 a year doing substitute teaching.

Their monthly expenses added up to about \$4,700, including \$1,860 for the mortgage, \$530 for insurance, \$360 for a retirement fund, \$200 for telephones and \$300 for clothes. "There's not a lot of fat there," said Kasanow.

The one thing he did spot was the phone bill. They have two cell phones that cost about \$100 a month and a land-line bill that adds another \$100.

Tessie "talks to anyone in God's creation," said Tony.

Kasanow suggests they cancel the land line and get a family cell phone plan that shares 1,000 anytime minutes. That should cost less than \$100. Then just discipline themselves to talk only 30 minutes a day and they'll save \$100 a month, Kasanow says.

Next he suggests they refinance their home for a possible saving of \$400 a month. They owe \$226,000 on the 30-year loan they took out in 1999. The interest rate is 6.75 percent on their current loan. With interest rates at record lows, Kasanow expects they might be able to get a 5 percent loan with no added charges or points.

Another \$170 a month could be squeezed from the budget if Tony works at a hospital nearer to his home. He would save \$70 a month on parking and about \$100 a month on gasoline.

Tony, the saver, is ready to go along with all the suggestions, but Tessie is not completely on board.

"We are going to take a month and keep a close eye on our spending," she said after the session <http://the.honoluluadvertiser.com/article/2003/Jun/08/bz/bz15a.html/?pr...> 6/8/2003

with Kasanow. "I don't think I can do the phone."

Still the visit with a financial planner was helpful, she says. "It was a good lesson for me. I have to start organizing and really focusing on the future of my children's education. That's the priority."

The education bills will start rolling in when Katelyn begins pre-school soon. Tuition could run \$6,000 a year. When Trevor is a bit older, he'll join her, adding another \$6,000 to their expenses. Tessie anticipates adding more substitute teaching hours to help pay for the pre-school.

"I'd love to stay with the kids all the way through, but realistically I don't think it will work out," Tessie said.

And when the bigger bills for private primary and secondary school start coming due, Tessie expects to work full time.

*If you are interested in participating in a Money Makeover, please contact David Butts at 535-2453 or [dbutts@honoluluadvertiser.com](mailto:dbutts@honoluluadvertiser.com).*

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