

Local bills go unpaid. Should we worry?

Los Angeles/Orange County region slips slightly in an index of payment default rates.

If the economy's healthy, people pay their bills.

So, I track the monthly measurement of local bill-payment habits in Los Angeles and Orange counties produced by Standard & Poor's and Experian. It's part of a national consumer credit default index that tracks late payments on first and second mortgages, auto loans and credit cards.

I've learned during three decades covering the regional economy that folks here have a bad habit of spending too much, then falling into financial hot water when the flood of bills comes due. So any metric that helps me watch whether "the check's in the mail" is worth frequent observation.

The December edition of this report suggests local borrowers may need to monitor their household budgets more carefully. This index shows 0.72 percent of key debts in the L.A./O.C. region were in default. That's up from 0.7 percent in November and 0.65 percent a year earlier. It's the highest level since March and the first year-over-year jump since August 2015.

Should we seriously worry?

Still low

We are in record-low territory and it can't get much better.

December's L.A./O.C. default rate was not far from the full-year 2016 average of 0.68 percent, the lowest yearly level in an index that dates to 2004.

The 2016 result was below the 0.82 percent level in 2015 and far off the mid-recession high of 7.19 percent in 2009. Yes, skipped bill payments are down 90 percent from the recession!



JONATHAN LANSNER
STAFF COLUMNIST

Better than average

We are paying bills better than typical Americans.

Nationally, 0.89 percent of debts were in default for December - 0.17 percentage point above the local rate. Like the local benchmark, the U.S. index also was up from November's 0.87 percent.

But the national index is below its year-ago level of 0.97 percent.

So, the local upswing is worth watching.

Better than most

The four other regions tracked by S&P/Experian had mixed performances.

Best payment rates were in Dallas, at 0.67 percent for December, which was above November but below December 2015. Same trend was found in Chicago at 0.98 percent for December.

New York at 0.87 percent for December was below November and December 2015 levels. Miami, the worst-paying region at 1.53 percent, was rising like the local index - up from November and a year earlier.

Credit cards ills

Are too many people putting their purchases on plastic?

S&P/Experian breaks out defaults nationally by the four key debts tracked. Home loans are largely being paid, thankfully. Second mortgages have a 0.41 percent default rate; first mort-

gages are at 0.71 percent. Auto loans are stable at a 1.03 percent default rate.

The problem area is credit cards, with defaults surging to 2.95 percent from 2.49 percent in December 2015, perhaps the result of overly aggressive holiday shopping.

Growth pains

Borrowing is a funny economic variable. If people don't use lots of credit, it constricts spending and cools the business climate.

But if people felt good enough to spend more and then borrow more, often more bills go unpaid. That's what S&P analyst David Blitzer thinks is going on. "National average consumer credit default rates continue at low levels in an improving economy," he says.

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Business etc.

STATUS UPDATE



Samantha Gowen has the latest on movers and shakers in Orange County.

Send items about business expansion, milestones and promotions to Samantha Gowen at sgowen@ocregister.com



Baby sitter on demand: Helpr app connects parents to child care

Need a last-minute baby sitter? Helpr, a free app with services now available in Orange County, will get a prescreened babysitter to you in as little as three hours.

The Santa Monica-based company, founded by Kasey Edwards and Becka Klauber Richter, recently expanded into the county. It performs background checks on sitters, meets all candidates in person, requires CPR certification and checks social media accounts.

Here's how it works: Parents register their family in the app, including details like the ages of their children and whether they have any special needs. They can then book a baby sitter from 90 days to three hours in advance.

Parents can then view a video profile of the baby sitter or request a trial run.

The app requires a minimum three-hour shift. Parents also can make standing appointments.

Parents pay on the app instead of giving money directly to the baby sitter. Helpr costs \$21 an hour for one child and an extra \$1 per

hour per additional child. It costs an extra 15 percent if a sitter is booked with less than eight hours' notice. The company said there are several hundred sitters available in Orange County.

Sitters are contractors with experience in the child care industry, Helpr said.

"It's really important for us to stress that we handle the HR support and we are doing a lot more screening than most families know to do," Richter said. "We recruit and work with the most successful child care providers out there."

Some companies offer credits on the app to help employees pay for child care services.

The app is offered in Orange County, Los Angeles County and Santa Barbara. Helpr does not disclose how many people use the app but said the number is in the thousands. Baby sitter candidates can apply at helpr-app.com/become-a-helpr.

— Hannah Madans



Helpr, an app now available in Orange County, links parents to a prescreened babysitter.

HELPR

Hyundai partners with Google

Fountain Valley-based **Hyundai Motor America's** Blue Link-equipped vehicles will soon be compatible with Google Assistant voice commands, the company announced.

Users with a smartphone will be able to use voice commands to find restaurants, use the car's navigation system, and ask about weather, traffic and more.

For example, users can ask their Google Assistant to find a high-end sushi restaurant, the address of which can then be sent to their car via Blue Link, or start their car with the interior set to a certain temperature.

Hyundai Motor America sold 775,005 units in 2016, a 1.75 percent increase over 2015, even though December sales were down 1.9 percent.

In December, the auto brand ousted CEO Dave Zuchowski. Jerry Flannery, executive vice president and general counsel, is the company's interim CEO.

— Hannah Madans

On the move

Scott Cannon has been appointed president and chief operating officer at **Big-Rentz** in Irvine. Cannon comes to Big-Rentz, an equipment rental chain, with more than 15 years of experience, most recently serving as CEO of **MNX Global**



Cannon

Logistics, a provider of transportation and logistics services. Cannon will be responsible for driving the day-to-day operations of the business. He has served on BigRentz's advisory board since September.

Chris Cox, former chairman of the Securities and Exchange Commission and longtime Orange County congressman, has joined the advisory board of wealth management firm **Creative Planning** in Irvine as director of regulatory governance. The new role for Cox comes as Creative Planning also announced the promotion of Andrew Fuller to managing director at the company's new office in Orange County. After leaving the SEC in 2009, Cox returned to Orange County and is a partner at the law firm **Morgan, Lewis & Bockius** in Costa Mesa. Cox served for 16 years in the House, representing what became California's 48th Congressional District.

Tommy Sharma, CEO at **Sovereign Health** in San Clemente, has been elected to the board of directors at the **National Alliance on Mental Illness Orange County**.

Irvine Valley College has appointed Bill Kerwin to a newly created position as director of economic and workforce development. Kerwin will serve as the college's primary external workforce and training



Kerwin

representative to regional agencies, consortia, partnerships and workforce groups. He comes to IVC from **Coast Community College District**, where he worked in a variety of capacities for over 25 years.

The **Rancho Santiago Community College District** board has sworn in three re-elected three trustees and one new trustee to serve four-year terms. They are: Claudia C. Alvarez, representing Area 5; Arianna P. Barrios, representing Area 7; Zeke Hernandez, representing Area 1; and Nelida Mendoza representing Area 3.

AIP Aerospace in Santa Ana, which includes Ascent Aerospace and Texstars, has appointed Jonathon Levine as executive vice president and chief financial officer. Levine will help develop plans to enhance long-term growth.

Paul Sherman has joined **Burns & McDonnell** to lead the Brea firm's national mitigation bank acquisition and planning effort. As project manager, Sherman will be responsible for project acquisition and coordinating large-scale restoration initiatives.

New ventures

Modulated Imaging in Irvine has received clearance from the U.S. Food and Drug Administration for its Ox-Imager CS technology, a device that helps clinicians identify lower-limb vascular issues. With FDA authorization, Modulated Imaging can now launch the technology at clinical centers throughout the U.S. The noninvasive Ox-Imager CS system is the only technology to provide both surface and subsurface views in one system.

Kumon, the after-school education franchise, has opened a learning center in Buena Park at 7896 Orangethorpe Ave.

Good works

Leila Keating, a longtime Disney cast member, on Wednesday presented a check for \$5,000 on behalf of the **Disney VolunteARS Community Fund** to Michelle Wulfestieg, executive director of **Southern California Hospice Foundation**. The funds will help SCHF continue adding magic to the lives of the terminally ill. Keating and the Disney community fund has raised \$37,000 for SCHF over seven years. Founded by Companion Hospice, and now in its 15th year of operation, the SCHF helps patients with needs that lie outside of the hospice benefit, such as food, transportation, utility bills and granting final wishes.

Project Independence, a nonprofit in Costa Mesa that supports people with developmental disabilities, was recently awarded a grant for \$175,000 from the Weingart Foundation in Los Angeles. The grant will be funded over two years and will enable Project Independence to strengthen its organizational capacity and effectiveness and to underwrite administrative infrastructure and maintain core programs.

Coming up

The **Risk Management Association**, Orange County chapter, will present the 2017 annual Economic Forecast by Christopher Thornberg, founding partner of Beacon Economics, from 11:30 a.m. to 1:30 p.m. Wednesday at the Pacific Club, 4110 MacArthur Blvd., Newport Beach. The cost is \$95 for associate RMA members and \$115 for non-members. Table of 10 is \$950. Parking will be validated. Register online at rmaoc.org or call Vicki Phillipy at 714-267-5281.

Status Update is compiled by contributing writer Karen Levin and edited by Business Editor Samantha Gowen. Submit items of interest to sgowen@scng.com.

