

Bills and expenses and their place in your life.

- I. No interest loans.
 - a) Most have a time limit which when reached if not paid in full the interest is high and starts from the first day of the loan.
 - b) The interest is included in the price of the item, and if you pay it off early you really get burned. The interest is in the loan principle.
- II. Buy here pay here.
 - a) J. D. Byrider "Used Cars" These guys are as close to crooks as you can legally get. You are better off walking then buying a car from them.
 1. You pay double what the item is worth
 2. They finance it for you because no bank would at the price they charge.
 3. They get a down payment large enough so if they get the car back they make money.
 4. You have to pay weekly payments because in Wisconsin they cannot repossess the car until you miss 2 payments. (It does not say how far apart the payments have to be.)
- III. Rent it stores.
 - a. Renting furniture, TV's, tables, chairs, etc. This is the most expensive of all.
- IV. 90 days same as cash.

Once you sign the contract you are obligated to pay the whole amount of the loan with a high interest, usually from the first day. Unless you pay the entire loan before the 90 days is up.
- V. No interest car loans.
 - a. You pay full price for the car.
 - b. If you pay the loan off early they still get the incorporated interest in the price.
 - c. It's usually only available on new cars which depreciate very quickly.
- VI. Debt consolidation loans.
 - a. Can be good if you have will power.
 - b. Can be the worst thing you ever thought of, if you don't.
- VII. Credit cards.
 - a. Use your credit card to make you money, not to get things faster then you need them.
 - b. You get a offer to borrow \$5,000.00 interest free. Take it if you have the will power not to use it. Invest it for less time then the free interest time on the loan. Pay back the loan before all the interest from day one gets billed to you. Keep the profit. They may not offer you this deal again!
 - c. Only keep one credit card for convenience, phone orders and the like.

VIII. Lease nothing.

- a. Leases are worse than credit cards. You pay full price for the item you lease. The leasing Co. is in the business to make money, and they will. In almost all instances it is not a tax advantage to lease anything.

IX. Make paying off your bills a source of joy in your life.

- a. As a husband and wife, talk about your bills often.
- b. Pick one day a week and go through them with each other.
- c. Attack the largest payment bill first, or the largest interest rate bill first.
- d. When you pay off a certain bill, celebrate! Have an idea of what that celebration will be, so you have something to look forward to.
- e. Set up your bills like domino's and pick them off one at a time. The more of them you get paid off without adding new ones the easier and the faster the remaining bills will get cleaned up.

X. Keep your car till it's paid off, then save for your next one.

If you sell your car and someone else is going to drive it, you are probably selling it too soon. (It would make me really upset when I would sell a car that I thought was "finished" as a reliable car and I would see it driving around town for the next four years.)

XI. They just write it off on their taxes!!

- a. If you figure your taxes with a standard deduction you get no deduction at all.
- b. Spend \$2,000.00 to save at most 31% \$621.00 of tax: This is not the way to get ahead.

XII. Monthly recurring bills: — Heat, electric, phone, gas for your car, etc.

- a. Don't drive to town or the store on every whim, make lists.
- b. Conserve power when you can.
- c. Conserve heat and A/C as much as you can.
- d. Make sure you are getting the best value for your local and long distance use.

XIII. As you lose your fear of not being able to pay your bills, because ("my savings") account is getting bigger and bigger, and your bill pile is getting smaller you will have more confidence to try new jobs, ask for a raise, invest in a little riskier investments.

You must get out of the rat race. "Get up - Go to work - Pay Bills"
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More money is not always the answer. It's managing the money you have that will get you the farthest ahead.

Go through your check book register line by line. What could you have done with out?