[6 Things You Can Do Right Now to Get Richer]

Scott A. T.: Broadcasting from One Dallas Tower, welcome to the Financial Rock Star Show. I'm your host, Scott Alan Turner, ready to help you get out of debt, save more money, and retire early. In the studio with me is producer Katie, who did a pretty good job explaining the new super villain on the original show. On the show today, 5 ... No, 6. I added one more. 6 things you can do right now to get richer. I'll be answering your questions about money, business, and life. If you have a question you'd like answered on the show, visit goaskscott.com. You can leave me a voicemail or send me an email.

Repetition is the mother of skill. Repetition is the mother of skill. Repetition is the mother of skill. What is the mother of skill? It's repetition. As we go through our list today, some of it may ring a little familiar. You might say, "I'm doing this stuff already." We need to hear things again and again and again. Why is that? I can sum up personal finance in one sentence. "Spend less than you earn. Work until you die." Done. End of show. No more questions. No more books, courses, radio programs, TV shows, events. That is it. Follow that and you're done, but if it were that easy, we'd all be doing it. We need to dig into the details, get down to the weed sometimes, and sometimes, it'd take the 30,000-foot view of the mountains and the plains and the oceans because repetition is the mother of skill.

Let's dive in. Number one, paying down high interest loans, whether those be credit card bills or a car loan. Wherever you're spending money and wasting interest payments each month, that's a guaranteed return on your money. If you get a 22% rate on your credit card, you pay that down. It's like making a 22% investment, and you can't make a 22% investment. I can't either. You can occasionally, but they're pretty darn hard to come by. Number 2, pay with cash. A Dun & Bradstreet study showed you will spend 12% to 18% more when you whip out a plastic because it doesn't hurt. Paying with cash hurts. It makes you a more conscious spender. If you switch from plastic to cash, you will have more money. I guarantee it.

Number 3, getting your company match in retirement plans. That is free money. That's something you can do today to start building wealth. Just try 1%, 1%, of your income if you got nothing going in your 401(k) right now. That there is a 100% return on your money. You put in a dollar and the employer matches the dollar. You can't get that investment anywhere else either, those kind of returns.

Number 4, use your bargaining power. Negotiating lower prices on stuff like cable or your internet service. It's a quick and easy way to get your fixed expenses down, or looking for alternatives for your utility providers. Get a low electricity and natural gas rate. Stuff like car insurance, student loan payments, cellphone service. Use your bargaining power to get those monthly charges lowered. Most people fail to comparison shop their car insurance or home insurance rates each year, and they go for years and years and years. They end up paying more than new customers. Have we talked about this before? Yes, because repetition is the mother of skill. Even I forget sometimes to negotiate, so I'm reminding you again because repetition is the mother of skill.

Number 5, sell or return your unused or unloved stuff. Get rid of it. In the Episode, the magical life-changing act of tidying up, I talked about how we went through our home and just unloaded stuff, had a garage sale, sold stuff on eBay, Craigslist, and there's still more stuff lying around here that I think I should get rid of. We turn that into cash, which allows us to do something with the cash. We haven't done anything with it yet, but that's instant money for you. Finally, ask for more responsibility at work. Your greatest source of income over your lifetime that you can get is you and your work. Your employment. Your career path. Whereas cutting expenses, you're limited based how low you can go and your frugality, your income is limitless. The sky's the limit.

Now you might be thinking, "Well, I'm a teacher. The sky is not the limit for me. I teach in the public school system." There was a gentleman I believe from South Korea, he was also a teacher, and he decided he was going to turn his lessons into online lessons. I don't recall the details, but I remember him putting in together these courses, selling them online, and turning it into either a 6- or 7-figure-a-year business, taking his skills as a teacher and figuring out a way to generate more income. The sky's the limit for your income. It doesn't matter what line of work that you're in. You just gotta think outside the box in where you want to take it. If you're a blue-collar worker, you're a white-collar worker, you're in an office, you're in an assembly line, there's always opportunity there for you to take on more responsibility at work to bump up your income over time.

Now onto your questions. First is someone calling themselves crazy lazy. The email stated, this is it, so pay attention, "Now further process, tell me. I want some money." Welcome to the show, Crazy. I'm glad to have you. You mentioned you wanted some money, so let's dig into that a little bit. As we just mentioned in the 6 things you can do to get rich today, one way to make more money is to take on more responsibility at work. Increase your value to your employer. Outside of that, you can work on generating your own side business. We mentioned the guy from South Korea selling his courses online. That's a way to get some more money.

You can also manufacture your own money. Not counterfeiting, which is quite profitable but generally frowned upon by the authorities, but producing a good or service someone else is willing to pay for. Example. If I sold my Metallica online, people would pay me for those because they're good, but your handle of being both crazy and lazy is concerning to me. Crazy? You can make money with that. Lazy? It's a bit of an issue. You have to be something special to be lazy and have money just fly into your life like a feather coming in on a cool afternoon breeze. I'm not saying this never happened, but the odds are stacked against you. It's important to change how you think of yourself to both someone who is sane and someone who's willing to grind it out to get ahead, and that single step will get you going in the right direction. Good luck, Crazy.

Amy is up next.

Amy: "We have some debts, most right at 0% interest such as our credit cards and medical bills, but others at a higher interest rate. I have been putting the minimum payment towards these 0% and the lower interest rate, then as much as I can towards the higher interest rate percent. We will be getting a tax refund which I plan on putting towards the debts where the refund will be able to pay off 3/4 of the debts, leaving only the 0% interest ones. Right now, we pay our daycare provider by the week. It is by far our biggest bill in a month's time. My thought is if we take that tax refund and prepay our daycare, I would then be able to apply the monthly daycare payment along with the already budgeted debt payments towards those debts."

Scott A. T.: Now your credit cards, they are unsecured debt that you have to pay back. Your daycare, this is just a bill. Now I would never prepay on a bill to free up money to pay down debt, especially something like daycare. If something happens where the daycare gets shut down, little Johnny or Susie, they get kicked out for biting somebody once too often, it happens, your money is gone, or at least gone for a little while because who knows how long it's going to take them to check for a refund on what you've prepaid. The only things I prepay are, number one, my insurance because I will always get a refund for the amount unused if I switch carriers, and number 2, business expenses, and I do that so I can get a discounted rate for signing a long-term contract. Only then, after I'm sure, I'm going to stick with that service company for whatever I'm signing up for.

Even if you get a discount for prepaying daycare, I still wouldn't do it. I would pay week to week. You pay off the debt and the debt is gone. Bye-bye, debts. I am approaching being debt-free. MasterCard, Visa, Amex, a hospital, they can't bother me anymore. Daycare? I can always put my kids somewhere else. I can always hire a babysitter to watch them during the day until the emergency situation gets worked out even if it costs me a little more. There's alternatives there. You just gotta ask yourself, would you buy a year's worth of groceries in advance? Never. We would never do that. If I'm getting a tax refund, I'm paying down debt even if it has a 0% balance because the only way to become debt-free is to pay down debt as your top priority. Thanks, Amy for the question.

Well, that will certainly wake you up. Sounds like Pantera. Where do balance transfer cards fit in when paying off debt? A lot of people use them to shuffle around balances to get lower interest rates and save money when paying off debts, or they shuffle around balances but don't address the underlying spending issue. Another topic. If you're buried in debt, if you have high interest rates with high fees, you might consider doing a balance transfer to a credit card which has got a 0% balance transfer APR, annual percentage rate, promotion. You need to consider one of these if you've got a decent or average credit and you want to transfer debt with a high interest rate to a 0% APR for a certain number of months.

Let's say you have a $10,000 credit card balance at 18%. That's costing you $1,800 a year. Roughly. You get a 0% rate of 12 months, hey, you've saved $1,800, and it buys you some time to pay off the debt without having to pay more interest. Keep in mind, the best way to get out of debt is to cut up all your credit cards and getting on a written spending plan. Balance transfer cards, they're a band-aid. They're not going to fix your sickness or heal your wounds, but they can be used strategically to get out of debt faster if you do the transfer and cut up the new card.

What are the best balance transfer cards going right now? Number one is the Chase Slate Card. It's got a $0 introductory balance transfer fee for transfers made during the first 60 days when you open an account, $0 annual fee, and 0% intro APR for 15 months on balance transfers, so it's 0, 0, 0. Maximum transfer limit, $15,000. No rewards, but if we're doing something like this, we're not looking for rewards. You don't need rewards. You just need the debt help and a path to financial freedom. The Citi Simplicity Card is another one. $0 annual fee. Intro rate of 0% for 21 months, so a little bit longer on that one. That's the card that has one of the longest time periods by 21 months. Downside? 3% balance transfer fee. No rewards again. That's not what you should look in a criteria, though. Discover it. This is from the Discover Card. 18 months balance transfer. 0% APR. That's got a 3% transfer fee as well.

When you're looking at these fees or these cards, if you have a card at 22% and you a 3% transfer, you're saving 18%, so it saves you money and buys you time. Not a bad way to go. It comes down to time and money. Forget about the rewards, the signup bonuses some of these cards have. We're getting out of debt, that's the goal, so how can we do it the fastest, how can we do it the cheapest. We're not caring about sky miles for vacation. Vacation comes when you get out of debt. Pay off the cards, get that awesome feeling of being out of debt, then you save up for the vacation, that's your goal, then you celebrate the victory. Now, back to questions.

Tony is trying to unload his car to become debt-free. Tony doesn't actually have a question, but he wrote in and gave me some information, and it just validates some of the stuff that we talked about in the show, so I thought I'd share it to you. Tony writes,

Tony: "I've been researching used cars and the best way to get rid of my current car. After talking to a few dealers about cars and the trade-in value, I'm looking into selling it privately because I don't want to give away a few thousand dollars on trading. I was amazed at the price difference as a trade versus a refi for a lower rate at different groups on the values of cars. As a trade, I was offered $15,500 based on a Blue Book value, as a private sale, it was estimated at $19,000, and as a refi, without extending the loan, it's valued at $21,900. It makes my head spin. Anyways, I'm in the process of saving money by getting rid of the debt. Thank you again. I will let you know when I get rid of the vehicle and how much it's saved me."

Scott A. T: Certainly, a wide span of values there for the same exact vehicle. $15,500 from the dealer. Sell it yourself, you get $19,000. Again, that's just the Blue Book value you can find online get $19,000 if you sell it privately, but even if you've got $17,000, you're $1,500 more than what you get from the dealer. That's a good chunk of change. Then the refi, way up there at $21,900. That's almost $3,000 more than the value of the car if you sold it privately, putting you deeper, deeper into debt. I love those real-world numbers Tony gave us because that just gives you an idea of what you're going to go through out there if you're upside down in a car and you're trying to unload it, or you just have a car loan and you're trying to unload that car loan and buy something cheaper in cash and get out of debt. This is the type of thing that you can expect when you start looking at those numbers and you start getting numbers back from dealers and private sellers or even looking for a refi. Good stuff. Thanks, Tony, for sharing.

Silk: Silk asks, as a single 29-year-old woman with no children who doesn't yet own a home with a retirement savings account and credit scores that's not sure what to tackle first. Someone else who has a cooler name than mine. Silk. My kids were intentionally given names that would make them better wakeboarders later in life. If you didn't know this, your future starts with your name and what you name your children, so you'd better be careful when you pick them. If you name your child Bubbles, I think you know where that's going to lead. If you name your child Flex or Flash, your child's future, also decided. Silk? Clearly sounds like someone who's cool. Too late to become a wakeboarder, though. Sorry about that. You're a little beyond the years for that. So was I when I got started. That's okay.

Scott A. T: Where do you start? Pay off your debts first. Pay off your debts first is the most important. Getting rid of those debts with any interest rate on it because that's just throwing away money each month. That's number one. After that, it's going to sound boring and unsexy, but if you have a clean slate to work with like you do, then I'm going to put aside 3 to 6 months of salary in an emergency fund. That's your life vest. Your lifeboat. Your belt and your suspenders. Your Iron Woman suit. Your force field. That is your protection from injury or a job loss. Emergency fund is very important to have. You save it up and you never touch it unless things get really bad.

Most people don't have one, and then when something bad happens, something bad will happen in your life, unfortunately, it always does, and you just never know when or what, that emergency fund is going to be there for you. After that, then putting away money for retirement. Start out simple. $1 out of every $100 you earn. 1%. If you can do more, do more. Where? A 401(k) preferably if you have access to it, a Roth IRA if you don't. If you're not familiar with those, how much, how to do a Roth, I like things super simple, I have a step-by-step guide at howtogetstartedinvesting.com. Simple steps. Simple domain name. You don't even have to write that one down. Howtogetstartedinvesting.com.

Once you get your savings ramped up, you paid off the debt, you got your emergency fund, you're starting to save for retirement, then you just pick your next goal. What do you want to do after that? Do you want to save for a house? You want to save for a vacation? You want a whole new wardrobe? Just put something on the map and then you work towards it. The important thing is pick one thing at a time, focusing on that until it's complete, and then you move on to the next thing, but the priority order really doesn't change. You pay off your debts first, if you have any, save up for emergency fund for that day when you need the emergency fund, and then you start saving for your retirement. Thanks, Silk, for the question. Awesome name. Awesome name.

Quick break. Back in a moment. You're listening to Scott Alan Turner. Hey, nation. Scott Alan Turner here. Now for those of you that are my long-time listeners, you know I'm not one of those guys in the radio who promotes every product that shows up on their desk. You're never going to hear me trying to get you to buy a snowplowing service from some company in Florida, or recommending you to buy neckties from some company in Little Rock, Arkansas. No. I have a name to hold to you, my wonderful listeners, but if I were, if I were to recommend something to you, I would tell you about helium.

Helium, if you don't remember from high school chemistry class, is a rare earth element. Number one or number 2 on the periodic table, I think. We're running out of it, which means the price of helium is set to take off like a hot air balloon. Helium is going to be worth more per ounce than the price of gold. You can buy helium today at any flower shop or grocery store, store it in the attic in those balloons they give you, and watch your investment rise. Tell them Scott Alan Turner sent you. Admit it, when you heard those first 2 drumbeats, you were thinking, "It's Footloose! It's Footloose!" You were getting ready to dance. Hey, if you have a question you like answered by me, visit goaskscott.com.

Rashaad: Rashaad from Auburn, Alabama asks if Lending Club is a good investment opportunity. Now Lending Club and Prosper, they're 2 companies that lend money, allowing borrowers to bypass their traditional lending services of banks, if you're not familiar with these services. They use money from investors, that could be you, and they loan it out to borrowers. You can get loans of different interest rates, depending on your credit score and some other factors they consider. When a borrower pays back their loan, that interest is shared with the investors. You can get a personal loan up to $35,000. You use these services to consolidate your debts. Pay off a credit card at a lower rate. You can even get small business loans. There's loans for medical and dental procedures. If you want a butt lift or something those caps that you put under your teeth. Not the gold ones, the porcelain ones.

Scott A. T.: Now according to the Lending Club, the screening process they use approves less than 10% of all applicants, so they are looking for good borrowers who aren't going to default on the loan and stand a good chance of paying the loans back. When you invest in it, it's like buying into a mutual fund, but instead of buying 100 different businesses and owning a tiny piece of each of them, you're lending out tiny fractions of money to hundreds of different borrowers. That's diversification, and that's a good thing. If one or 2 borrowers defaults, the other 98, 99, or 200, whatever, that covers you from losing all of your investment. People are reporting, on average, earnings of 5% to 8% on their investments.

When you go into these services, at least with Lending Club, the borrowers are graded on a rating of A, B, or C. C Grade borrowers, they're the riskiest and they have the greatest risk of defaulting on the loan, but they also have the highest rate of return, 8.69%, according to the website. B Grade can get you a return of around 7% average. A Grade, 5% to 6%. It's a legit business. It's legit. Lending Club has hundreds of stories in the press from The New York Times, Wall Street Journal that report what a good company they are. They have a solid rating from the Better Business Bureau and many security features on their website as well. I like the business model.

I like the level of risk, and the returns, they're not bad either, but it is a place I would use more for fund money or a very small percent of my net worth for investing. Lending Club is like any other investment. You have to take the time into knowing the ins and outs of that business. If you don't fully understand it as an investment, that's when you lose money. For me, I'm going to come back to Lending Club in the future and check it out, see if I want to throw some money that way, throw it into the ring and see what happens, but again, it's going to take me some time to learn about it, to learn the best way to filter out those opportunities within that service. If you want to find some advice from people that are using these services, you just need to Google P2P, that's peer to peer, P2P lending forums, and that'll put you in touch with people that are already doing this and have experience with that. Rashaad, thanks for the question and good luck.

Dan from Florida wants to know how brokers don't keep from taking all your money and running off to the Cayman Islands and living it up. He writes,

Dan: "I'm currently in the Florida Deferred Comp Program, invest on average $600 a month. This reduces my end-of-year taxes since it comes out of my pay automatically. If I enroll in one of the robo-advisors, how would I be able to continue the same tax reduction after I've received the full check amount? Also, what guarantees are there about these companies being on the up and up and not screwing folks over? Madoff has scared the living "beep" out of folks. I'll be 53 this year and have no recovery ability to invest for 10 years and then have it scammed away."

Scott A. T.: Now Dan is asking about Betterment specifically, but this would apply to any of these newer robo-advisors. Well, you really wouldn't do this because your options in Betterment would be for a Roth IRA which is going to limit you to $6,500 a year after tax dollars, but let's walk through a different option. I had fun doing this because I get to dig around in something new and do some research, which I like doing. The Florida Deferred Comp Program, it's a 457 plan for government employees. 457 plans and 403(b) plans, they are notorious for having terrible investment options available. I dug into the Florida plan to see what's what.

Here's what I found out, and you may or may not know this. This is from about 30 minutes of research. I'm not claiming to be an expert on the Florida 457 plan, but I did dig up enough to find out you should do some more digging on your own. Why? Because you might be paying too much in fees, depending on what funds you're in. Your plan has got 5 traditional investment companies and one online brokerage service you can pick from. What I like about the website was everything is really easy to find, so the research is simple to do. There's one big performance guide you can pick through. You can compare all the different companies with the funds they offer, the expenses of those funds. Really simple, laid out, and clean.

The hard part is figuring out, well, what funds should you pick? Because each of those companies, the 5, have 15 to pick from, so that's 5 times 15. On the plus side, the majority of the plans that are available to you, they have an option to get into the Vanguard funds, one or more of those. Specifically, the Vanguard Total Stock Market Index Fund, and that's a low fund fee, 0.04%. I know you're approaching retirement, so you want to be heavily weighted in that, but that's a good fund. They also show stats on what percentage of people in Florida are in each of these funds, how much money they've got invested, so there's a lot of data in there. A lot of people are in those Vanguard funds, but you've also got a lot of uninformed Floridians, too, because there are thousands of people in some of these other funds, which I'm not going to name. The next highest fund that is participating has an expense ratio of 0.84%.

That's almost 1% a year, 21 times more expensive than the Vanguard fund, and those fees, they add up over time, but after more digging, and this was really buried in there, there's an online brokerage service you can sign up with, and it is Schwab. Schwab is a great brokerage. They're who I was with before switching to who I'm with now, TD Ameritrade, and that's just because they have lower transaction costs. I'm not saying every fund at Schwab is great because that's not true, but if you choose them, you can pick from any of their 6,000 mutual funds, and they've got some low-fee funds in there. That is a much bigger selection than 15, but it can also get you into overwhelm as well. Some of those 6,000, you're going to find a lot more low cost funds from any of those 5 investment companies that are in the plan.

To be fair, each of those 5, they offer one to 2 Vanguard funds. Vanguard has the lowest fees, but if you want to diversify, get into some bonds, some international. Then you have to pick the non-Vanguard funds in those other 5 options, and that's where they really hit you with the high fees. In this document that they've got, they are trying to scare the pants off of you to keep you from going with Schwab. It's a self-directed brokerage window. Here's what it says. It says, "Funds available through these self-directed brokerage window have not been selected through any selection process, are not monitored, require investment expertise to prudently manage, and have risk of substantial losses." That's what they have to say about going with the Schwab option. Well, anything you pick in the stock market has a risk of substantial losses.

You have to sign up through Schwab to one of those 5 providers. I'm not going to name who. If I had to take a guess, that provider doesn't want you to sign up with Schwab because they make more money if you invest in the funds through them. They probably wrote that scary language, too. That's just my opinion. Only 2% of the participants in Florida are using the Schwab option, so they're obviously doing a good job scaring people away from it. To get those little fees I talked about, you can get there through using Schwab in your plan. What I would do, I'd just call up Schwab. Talk with somebody. Explain the situation of what you're trying to do and get some advice. If they start talking gibberish to you, you say, "Hey, back the truck up. Start again. I don't understand what you're talking about." It's going to take you some time, it's going to take you some research, edumacation, but it'll keep you from getting ripped off with those high fees.

Now let's talk about somebody taking all of your money and running off to the Caymans or Bermuda with billions of dollars. Madoff was a person selling investments that were proprietary, and they didn't have any oversight. Brokerage accounts, Schwab, Betterment, Wealthfront, any of those guys, Vanguard, they are regulated. Regulated, similar to how E-Trade is and other online brokerages. Madoff was also mixing in his personal assets with corporate assets. The SEC, FINRA, SIPC which I'll talk about in a minute, Securities Investment Protection Corp, they regulate audit brokerage firms multiple times a year, as well as some of them have third-party verifications on all the trades that are going on as well.

You want to check that your brokerage is a member of the Securities Investment Protection Corp, it's SIPC, which, all the big ones are, and that means your account is protected up to $500,000 per individual per account type. Now that organization, they're a nonprofit. They protect stocks, bonds, and other securities in case a brokerage firm goes bankrupt and the assets are missing. Again, Fidelity, Schwab, Betterment, Wealthfront, TD Ameritrade, they're all members of this. There are exceptionally few cases where investors lost money when a big brokerage firm collapse. Normally, this organization comes in. If that happens, then it makes things right. Madoff was running a Ponzi scheme. Brokerage houses are investing in mutual funds or individual stocks, so have no fear, Dan. Your investments are safe from being stolen. Your only concern is the risk you take on as you approach retirement in your investment allocation. Be less aggressive in stocks, which you already know about. Thanks for the question.

This is a social media post by a famous celebrity. It was a selfie of him on a busy city block with people walking around him. Here's the quote. "You see these people behind me? They are rushing to work and not paying attention to anything. Sometimes we get so caught up in our daily lives that we forget to take time out to enjoy the beauty in life. It's like we're zombies. Look up and take your headphones out. Say hi to someone you see, and maybe give a hug to someone who looks like they're hurting. Help out someone. You have to live everyday like it's your last. What people don't know about me is that I had depression a couple of years back. I never told anyone about it. I had to fight my way out of depression. The person who was holding me back from my happiness was me. Everyday is precious, so let's treat it like that. Tomorrow isn't guaranteed, so live today. I hope you share this post to spread love this holiday." End quote.

It was attributed to Keanu Reeves, best known for his role Neo in the Matrix Trilogy, of which the first movie was amazing. The others were terrible, but let's skip that for now. Keanu reportedly never wrote this post. It was popularly written by someone masquerading as him to see how many social shares that could get, and it got a lot. Does it matter? Well, it's the message that's important, not the author. Anyone can inspire, including you, though it's unnecessary to pose as Keanu to do it. Wise words will be heard by anyone. Say, "Those are the words."

Baby: Those are the words.

Scott A. T.: Very good. Well, you wasted another perfectly good 30 minutes of your life listening to this mindless drivel. talk. Great Saturday morning show on the radio. That's it for this episode. I'm your host, Scott Alan Turner. Rock star Katie is my producer. All the links mentioned in this show are available on the show notes on ScottAlanTurner.com. If you have a question you like answered, visit goaskscott.com. Thank you for listening.

Announcer: Okay, nation. For your free copy of the guide, How to Save $1,000 in One Week, simply subscribe to the podcast right now on iTunes, and text the word "SAVING" to the number 334-44 to prove that you did it. Subscribe now to get out of debt, save more money, and retire early. See you next time.