

[How TO Keep Up With The Joneses \(On A Budget\)](#)

Scott A. T.: Broadcasting from One Dallas Tower welcome to the Financial Rockstar Show. I'm your host Scott Alan Turner ready to help you get out of bed, save more money and retire early. In the studio with me is producer Katie who's sick of these darned kids and needs a nap. She's getting Thursday off, though. On the show today I'll be answering your questions about money business and life. If you have a question you would like answered on the show visit [GoAskScott.com](#).

We're going Star Trek for a minute. Star Trek Voyager, episode Memory Alpha. I got to put my nerd hat on for a moment and I'm going to rewrite the story from the episode so it fits the purpose for today's show. You have a population and we all live underground. Everything is provided for us. Things are pretty okay. We live in peace. Society functions, but I have heard rumors and myths from the elders and generations ago there's this thing called topside. They talk about it from hundreds of years ago. The stories have been passed down from generation to generation, so much the stories just totally is skewed, but nobody knows what's true or not. Then, someone gets the idea, "Hey I want to go see what is topside because these ancient stories, they fascinate me. I want to move out." Everyone else is saying, "No! No, you should stay here in the underground society where we are because things are good."

A couple episodes back I answered a question on how to avoid keeping up with the Joneses. The Joneses, those are the broke people who look rich, but aren't. They cat no cattle, as people say in Texas. The easy answer for me to say to you and other people to say is, "You just don't." You don't keep up with them, but the easy answer sometimes isn't easy. I was listening to something the other day, and there are times and situations where you might have to keep up with the Joneses, "Have to." More on that in a minute. What is the root of the need to keep up with the Joneses? I would argue, if I had to point at one thing, it's just peer pressure, being cast out, left out, frowned upon, scorned for your wise decision to take control back of your life. You are going against the status quo. Everybody else is broke and miserable and misery loves company. Everyone else is living underground. How dare you think about going topside and finding change and finding adventure and finding something that could be potentially better?

In the Star Trek episode, the younger generation, they wanted to move out of the city and seek out the stories that their elders had extraordinary mental abilities. That was the plotline of the story. In the episode of your life, or my life, we are seeking out this tale of extraordinary freedom and a rich life we've heard about. It is not necessarily a rich bank account because rich means different things to different people. We don't want to stay where we are. Peer pressure, it is a powerful thing, but it's not life threatening. You're not going to die if you say no to going out to dinner with your broke friends one night.

What if you are a real estate agent? Do you need to have a nice car to drive around clients or meet with them? Yes, you do. If the big client comes into town and you're a salesperson, do you need to go to the Saturday morning golf outing to wheel and deal? Yes, you do. If your kids have holes in their shoes, the soles are falling off, do you need to get them new shoes so they don't get picked on at school? Yes, you do. If the boss invites you up for dinner one night at a nice restaurant, do you need to go? Yes, you do. These, there are very real and very hard situations to deal with in life that "require" you to keep up with the Joneses.

Let's be clear, it's not a basic need. It's not. You don't need to go to dinner with the boss, but you do need to go to dinner with the boss if you want to improve your odds of furthering your career in the company and potentially making more income later on. What to do if you must do? I'll give you a few thoughts on how to keep up with the Joneses and still not blow up your budget, stick with your plan.

The first thing you got to look at is you always need to think ahead and have cheaper, frugaler, if that's even a word, more frugal, less expensive alternatives in your back pocket, always. Here are a few. If you're invited to dinner, invite people to your place instead. Order pizza. You don't need to have fancy food. I got the gourmet burgers on the website. They're inexpensive to eat compared to going out and spending whatever it costs at whatever restaurant you were planning on going to. The gourmet burgers are better than anything you can eat out and get and they're cheaper.

How about golf? Golf, a lot of business is conducted on the golf course. I'm not a golfer myself primarily because I know what happens to me when I get involved in the I would end up dropping way too much money on that because it is an expensive hobby. How about Topgolf if that's in your area? That's a driving range which is much cheaper than playing a full round of golf and then going out to lunch or dinner after that and then getting drinks after that. Tennis, or skip the golf round and join the group for lunch or dinner afterwards, or play the golf and skip the lunch and drinks afterwards, because you need to get home and help your wife hand up the pictures anyway.

A partial activity is better than nothing. It still gets you face time if you need it. Paintball, another good example. Much cheaper than golf and you can shoot your coworkers. Don't shoot the boss. Don't shoot the boss. What else? You go out to the bar afterwards, whatever your activity, you get a Diet Coke. Order the well brand. Somebody wants a Grey Goose, let them pay the extra. You cannot taste the difference anyways, and that's what you can say. "I can't taste the difference anyways. I'll order the well brand." "Oh, you're not drinking tonight?" "No, I'm not." "Why not?" "Because I don't want to be broke like you!" No, we don't say that. Say, "I'm on a diet.", "I'm tired.", "I burned through my entertainment budget this month." One of those three reasons is usually true for me. Figure out what's true for you.

You find that when you tell someone something once or twice they quit asking. Sometimes that means you never get invited again, and that might be a good thing for your money. People stopped asking me out to lunch in the corporate world because I always brought my lunch. If I had a wild hair to go out to lunch with somebody, I would just tag along or I would say, "No thanks. I brought my lunch." It didn't torpedo my career. In my experience in life, which may be different than yours, what you've experienced, generally I don't keep being nagged over and over again to do something that I don't want to do. In college, I partied a ton. After a couple of times out and about at parties, people quit asking me if I wanted to smoke pot because I would previously say no. I didn't lose my friends. I still got to go to parties and have a good time. I have found that people are generally respectful of your decisions or your answers.

Can you imagine this story? Two women, they're at a mall, they're at lunch. You're in Macy's. One buys a fifty dollar purse and she tells her friend, "Hey, that yellow purse looks cute with your outfit. You should go buy it." You respond, "No thanks." "Oh, come on buy it. It looks great." "No thanks." "what are you, an idiot? You need to buy that purse!" "No thanks." "If you don't buy that purse, you're going to walk back home and I'm never going to talk to you again!" No. Is that what's playing out in your head? That is the silliest thing I can ever imagine. You only have to say no a couple times. People get it. If they want to make you the topic of a dinner conversation later on when you're not around about how you said no, that's their problem. You're never going to hear about it.

What about a car? This is a big thing for many people. Car is a status symbol. As I mentioned earlier, real estate agents, they generally have to have a decent vehicle to go around in and pick up clients. If you're a general contractor you need a truck to drive around. It can't be a truck that's falling apart. The answer to that is a used

SUV, Ford Explorer, Jeep Grand Cherokee, what else? Suburbans. I looked up, before this little piece here, used 2003 Cadillac Escalade, however you pronounce it, a hundred and fifteen-five thousand miles, nine thousand nine hundred dollars before negotiating. It's a good looking vehicle. It is a bad man's car, or a bad woman. You roll up in that and you're looking good and you're not broke because it was only ninety-nine hundred dollars. Probably get it for nine grand.

Classic BMWs. I worked with a guy in college, he owned a 1970 BMW. One of the nicest cars I had ever ridden in at the time and it looked good. 2003 BMW 525i, four thousand dollars, a hundred fifty-five thousand miles. It is a good looking car you could drive around in. Still looked like you got some status, but you only paid four thousand dollars for it. Yeah, it's a BMW, it's going to fall apart, but it's four thousand dollars. Factor that into your repair budget. They're good looking cars you can get without staying broke. Prius, another one. People think you're trying to save the planet.

How about vacations? Tough one if the whole family's going to Disney and you say no. There's no way around the hundred and twenty dollar ticket price per person per day at Disney. It's just harder to do. You got to think of other ways you can discount your trip if you're feeling the pressure to go to that with the family. You stay in a cheap motel. You AirBnB it and eat oatmeal for breakfast and peanut butter and jelly sandwiches for dinner. You drive there if it's a reasonable distance, rather than flying. You cut what you can if you don't want to say no and you want to enjoy the family experience. In the end, people are going to judge you anyway. You need to choose if you want to live your life impressing others or if you want to live your life impressing yourself. On to your questions.

Leroy is looking for a house and asks if adjustable rate or fixed rate mortgages are better.

Leroy: Difference between two, fixed rate - it's just that. It's fixed. Never changes. You pay the same mortgage payment until the mortgage is paid off. With your adjustable rate mortgage, it can be fixed for a set number of years, one year, three years, five years, seven years are typical. Then it will change after that depending on what the interest rate is at the time in the industry. First house I bought, I had what's called a 5/1 ARM, 5/1 adjustable rate mortgages. The rate was fixed for the first five years. It was at a lower introductory rate. Then the rate adjusted based on the current rates after the five years. An ARM usually have a lower interest rate than a fifteen year or a thirty year fixed because the lender is expecting to make more once it starts adjusting.

Scott A. T.: I needed that because it cheaper at the time than the rates on the fifteen and thirty year fix, and I didn't know better. I thought I might live in the house for five years so that made sense to me short term horizon. What are interest rates going to be in five or seven years? Who can say. With the ARM you pay less now, but you take on greater risk later on if you're in that house longer than the one, three, five, seven years. You should never do a one or a three year ARM anyways. You always expect to be in your house longer than that. Rates are so low right now it's not even worth the gamble over the savings. Fifteen, thirty year loan, you can lock that in, and you can predict your housing expenses for the next fifteen or thirty years, so you're not sweating it in five years or seven years if the rates shoot up to six percent or seven percent or whatever they are. We don't know.

I would never do an ARM again. I wouldn't do it on a primer house. I wouldn't do it on a secondary house. I would not do it on a rental home. The risk is just too high. You can save a little money in the short term, and it might give you the opportunity to get into a house you might not otherwise be able to afford, but you shouldn't do that anyways. Might just have a plan to move when that ARM is up say, to just get the lower interest rate thing, "Oh I'm just going to be here five years, so I've got a five year ARM," but plans change. Plans change. You just don't know. If you had a crystal ball, that is a good thing, but you got a crystal ball, you're in the wrong business.

Thanks Leroy, for the question.

Shout out to Edwin. Thanks for subscribing to the show, and Kristin in Kent, Washington. Thank you for being a subscriber.

According to the Boston Globe, credit card companies mail out billions and billions of offers each year. I get two to three each week normally in our business mailbox. Why are they sending out so many offers? Because they work. They're making tons of money with all these things that they're sending out, way more than they're spending in advertising. We want you to not fall prey or not fall victim to these advertisements that we may or may not want. Let's learn how to get off the marketing lists so that we don't get junk mail. We're going to save trees. We're going to reduce clutter, cut down on our mail that we're getting. Your name, your information's probably being sold all over the place, but there are three central repositories you can go to to get your name moved off some of these lists.

The first is called OptOutPresence.com these links will be in the show so you don't have to worry about it right now. That's a centralized service that will process your opt-out request. Opting out is the term we use for telling these people, "Hey, I don't want to receive your junk." You can opt-out from credit card offers, insurance offers from OptOutPresence.com. That's run by Equifax, Experian and TransUnion the big three credit unions.

DMACHoice.org is the next one. DMA is the Direct Marketing Association. They are the largest marketing association around, which it might seem odd that the largest marketing association around would allow you to not receive their marketing, but they're trying to right by the members of congress and stay on their good side. They've allowed this service for a number of. When you opt-out of them, they're going to get rid of some of the credit card offers, catalogs, magazine offers and other mail offers. There's different categories on their website, and you can request to stop receiving mail to those different categories that there are.

Third one is related to your phone. It's the National Do Not Call Registry if you don't want to get phone calls or telemarketers. I've had my number in there for I don't know how many years. A long, long, long time. All of these services are free. They take a few minutes to get setup and they cut down on junk mail. Here's the more important thing, if you are younger, or not. Maybe you're not younger. If you got an aging parent or a grandparent, maybe you've just got some bonehead sibling that's terrible with their money, register their information and opt-out for them on their behalf. I don't know if that's legal or not, so I'm not going to get into that. It maybe against the rules, opting out someone else, but I'd rather be sure that someone doesn't make a financial mistake, or a person steals some mail from somebody, tries to open up a credit card in somebody else's name, bothers my mom or anything like that.

I opted out my mom many, many, many years ago. I think I told her on the phone conversation one time. I just said, "Hey, I signed up for something to cut down on junk mail and I signed you up too," and that was the end of the conversation because my mom doesn't know how to use a computer. She's not going to be able to do this on her own, so I just went ahead and did it for her so she doesn't have to get the junk mail. She doesn't have to worry about the telemarketers, reduce her risk of being scammed by somebody. Check out those three links when you have a moment. Save a tree. Get rid of some junk mail. Reduce the clutter piling up in your mailbox. Maybe, potentially, help out somebody else as well. Back to your questions.

Dolores asks if it's possible to be financially successful with an inactive husband. She writes,

Dolores: "My husband is very laissez faire in the handling of our money. He is more than happy to hand over his paycheck and let me pay all the bills and trust me fully to get it all done and then tell him how much money is left over. It's been working great for us since we decided to combine our finances some years ago. I've been listening to a lot of financial podcasts lately, and I'm finding the same underlying theme. The couple must be a complete unit in getting out of debt. Communication is important, and things of that nature. I love to budget and make savings goals.

Scott A. T.: I get excited and start talking to my husband about my plans to get out of debt, reduce our bills, increase our take-home pay, and he's always saying, 'Sounds great. Whatever you think is best. You're the money guru.' He loves where we've gotten in life due to the budget. Don't get me wrong. I'm fine doing it on my own. I'm having a blast, but is it possible to be financially successful with such an inactive, albeit compliant party?"

Being on the same page is the most important thing because if you're going in opposite directions, that is where the train gets derailed. I wouldn't be so worried that he doesn't want to update the budget. I'm more concerned he knows how to update the budget, not that he's the one putting in the numbers. Let's look at it this way, let's say you both decide, "Hey, we're going to eat healthy. We're going to go organic." You go out. You do all this grocery shopping. You prep the meals. You cook every night. He shows up at the dinner table. He eats the salmon. He eats the sauteed spinach, says, "Thank you honey. I appreciate you cooking for me. I look and feel great."

There's a big difference if he says, once the food hits the table, "Eh, I'll be back in twenty minutes. I'm going to go over to Five Guys for a burger and fries." If you give the grocery list, is he going to be able to buy the right fish? Is he going to be able to buy the right veggies at the store? Yeah? Okay he can do that. Can he chop an onion? Probably can figure that out. Can he fire up the grill and not burn the chicken or the salmon? Those things are easy to learn. You just want to make sure if you're not around, he's not going to put on fifty pounds and then you'd be in a great situation. If you're not around, he's not going to go out to McDonald's seven days a week.

What's important is, you're on the same page. Which you are. Fantastic, but he should also know how to do this stuff. He doesn't have to do it all the time. Katie's got the logins, she's got the passwords. She's got the account info. She's updated our budget before. She can survive if I don't make it back from my trip into space whenever that happens in ten or twenty years. We're on the same page, but I'm the one turning the page ninety-five percent of the time in the household. She's the one over there doing the business books. I'm taking care of the personal finance books around the house. She knows how to do it if something were to happen.

It is awesome you guys have got the budget working and he's on board. Nice job with that. Keep him in the loop. Make sure you've got your shared goals. Have him periodically update the budget and pay the bills once a year. It doesn't have to be that much. He can just be sitting next to you as you do it so he sees what's going on. You do that, you'll be great. Thanks Dolores, for the question.

Back in a moment. You're listening to Scott Alan Turner.

Hey nation, Scott Alan Turner here. For those of you that are my long time listeners, you know I'm not one of those guys on the radio that promotes every product that shows up on their desk. You're never going to hear me trying to get you to buy supplements to make your skin look better or recommending you pay for commissioned broker services designed to leave you broker. No, I have a name to uphold to you, my wonderful listeners, but if I

were to recommend something to you, I would tell you about ... That, my friends is the smell of money burning. Just one of the fine scents your olfactory system can enjoy from Kim Kourtney Candle Company. Dozens of great scents to burn your nose and your wallet or purse, such as mint julep, Gold Spice, Purple is a Fruit and Pepperoni Paparazzi. Don't just be seen, be smelled. Available at overpriced stores everywhere.

Andrew from Longview, Texas asks about loan consolidation with a Prosper, says,

Andrew: "I'm in my late forties and I'm enjoying the good life with very little savings. I have a considerable amount of credit card debt, about thirty thousand, and a signature loan of about thirty thousand. I'd love to get out of debt. Working on selling my house this summer and moving the family into a smaller payment, which will help with the cash flow to eliminate these debts. I have received information in the mail about Prosper, who offers a loan to pay off your credit cards. Have you heard of them. I'm curious to know if they were legit."

Scott A. T.: Let me start by saying what a bold and important move you're making to downsize and downscale your life in order to get those debts paid off, start saving for your future and giving your family an opportunity to experience financial freedom. That's excellent. You're on the right path going in the right direction. How do you get out of this debt quicker if you've got some high interest rates on those credit cards maybe a high interest rate on those signature loans? Prosper is a hundred percent legit. Prosper, and there's another company called Lending Club. They are what's called peer to peer lenders. A bunch of people will pool their money together that they want to lend out, and through these services, the peer to peer lending services, they will loan that money out to people who might want to pay off a credit card. They might want to pay off a car loan. They want to buy a new car. They might want to publish a book, all kinds of different reasons people are looking to borrow money.

From a lender's standpoint, I can lend tiny bits amount to dozens or hundreds of people, that reduces my risk. If one of them defaults and doesn't pay the loan back I've still got all these little loans out to these other little people. As a lender, I can make money using these services. As a borrower, you can get decent interest rates depending on how much your debts are, how much your income is, what your credit score is. It's an opportunity for you to get away from those high interest credit card rates that you might be paying or the high interest signature loan rate you might be paying.

Karrot is another one that can look at. That's another one of these websites that provides personal loans. These link will be in the show notes. Finally, SoFi, which we've talked about before, who originally started with refinancing student loans. They have spread their business a lot. They're growing gangbusters. They're offering mortgages now, auto loans and personal loans. The thing about Sofi, they've changed recently. They're no longer looking at credit scores for when they're giving out these loans. If you've got a really bad credit score, but you're making beaucoups of money, you're really a high income earner, however they decide what that is, you've got a stable job they're more apt to give you a larger loan or maybe a better interest rate. You want to check out all four of those to see what you can do.

Statistically, depending on whose statistics you look at or believe, people will tell you, if you consolidate a loan to get our from your debts, but you don't address the underlying issue of how you got into debt in the first place, you're much more likely to end back up in debt later on. The consolidation doesn't matter. You might be lowering your interest rate, or you might be stretching out the payments, but you've got to fix that underlying problem first. That is spending habits, and normally poor spending habits. It looks like you're doing that, Andrew, so that's not necessarily your case. If it's an opportunity for you to save money on interest, get those debts paid out faster, yeah. Go for it. Look at those things, also might consider a balance transfer to a no-interest credit card if you've got decent credit and you have that opportunity.

You can also, don't forget, piecemeal this together. If you can only swap out five thousand dollars at a low interest rate, and not the entire sixty, go ahead and do it. Get the lower interest rate on that five thousand dollars because that helps you out. The most important key to success in all this, though, is having a written spending plan that you follow each month planning where your money is going to go before you spend it to keep you from going further into debt. Thank you, Andrew, for the question and good luck paying off your debts.

I've got to break into the PG 13 language briefly to make a point. You've got thirty seconds to cover up any tiny ears nearby or press pause or finish up later, thirty seconds. Go.

That, nation, is the greatest song ever made. The people who half-ass their way through life get a half-assed life. If you want something you gotta earn it. You can't just wake up, expect a better life than you had the day before. You have to make a better life than the day before. There are a lot of people who have an entitlement mentality and expect things to be given to them. You may know some of these people. Then they wonder, "Why don't I have a better life?" They might blame others instead of accepting responsibility for their own actions.

Just spend the next minute and think about the last ninety days of your life. Are you better off? Are you worse off? Are you the same? If you're worse off, is it because of a choice you may have made or a circumstance beyond your control like a job loss. If you're better off, was it because of a choice you made or just blind luck like finding twenty bucks on the street. If things are the same, you might be a passive listener. You need to take a step forward preferably in the next five minutes because you will be one step farther along than you were ninety days ago. If you don't half-ass anything you will get results. Those are the words.

That's it for this episode. I'm your host Scott Alan Turner. Rockstar Katie is my producer. All the links mentioned in the show are on the show notes on ScottAlanTurner.com. If you have a question you'd like answered on the show, visit GoAskScott.com and leave me a voice mail. Thanks for listening.