

Book Report on “The Total Money Makeover” by **Rillon** Dave Ramsey

The book by Dave Ramsey The Total Money Makeover has many stories that related to my husband and me. I do practice a lot of what is mention in the book for example the reading the fine lines when it comes to deals on vehicles, credit cards, and home loans.

There are times when my husband and I have shopped around and he is the one that sees the broad perspective of the deal being offered, but it is I that conducts the calculations and read in depth the fine print and investigate any hidden charges the companies try to tie into a contact. This sometimes lead to countless fights because my husband doesn't want to take the time to read the contracts because he's either inexperience about it or he just wants to relax from coming back from deployment in Afghanistan.

One story that comes to mind is that my husband wants a brand new Jeep Wrangler Rubicon and he wants to trade in my vehicle for it. We've gone to several dealerships and they would try to low ball our vehicle. So my husband went online to find what the blue book was on it and found out that with its condition, it was worth several thousand more than what the dealerships were trying to offer. Then we decided to go back to the dealership to rebuttal their offer and state that our vehicle is worth more than what they are willing to give us. After the dealing of the trade-in value the next step would be adding a down payment and what type of term and interest rate we qualify for. Although after reading chapter 3 my husband and I may consider getting a used Jeep instead because of how much you lose in buying brand new.

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Our finances have been a big part of what my husband and I argue about most. I have been unemployed for nearly a year and my husband continuously volunteers for deployment in hopes for keeping us afloat and to replenishing our savings due to me not working. I have learned that since I do not have a career at the current moment that I cannot have the mindset of “Keeping up with the Joneses”. We need to sacrifice going out to dinner and not buy as much new trends of clothing like what I’m used to wearing. In term, we save quite a bit with eliminating the eating out. I also found and utilize an app for my iPhone called “Mint.com” that sets limits to our spending so we do not go over our allotted amount in different categories’ and stay within our budget. I really love this app and would recommend it to others.

When it comes to credit cards I put a lot of research into it starting with what the percentage rate is towards a reward. For example, American Express that is tied in with Costco membership, you pretty much get your membership for free and you get 3% cash back on gas, 2% on restaurants and 1% for everything else. Last annual check was \$259.00, plus \$109 from Costco executive membership that paid for itself. So, I make sure that if there is an annual fee that the percentage of reward will accumulate enough to pay for it itself when you use the card. And of course, what the interest rate is or it may be zero percent till a certain date. The book really thinks that credit cards do not help you in the end only if you don’t know how to use it. Which I do because I pay off the balance each billing cycle and correlate each charge of items with my “mint.com” app to assure we are not overspending in any category.

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Investments my husband and I uses each time he goes on deployment is the Savings Deposit Program and this consist of investing the cap of ten-thousand dollars and each quarter making two and a half percent interest for one year. So by the end of the year you make ten percent interest on the funds invested. I think this is a great investing tool for the service members and quite a few of them do not know or have not been educated on this venture. So with us investing ten-thousand each month it seems we make eighty-three dollars interest. We have done this on two deployments and have had decent returns on our investment.

Once our year is up on the investment with the Savings Deposit Program as mention in the book on countless occasions we will likely invest it in a long-term mutual fund for ten years once I also get my career again. Making twelve percent interest on the investment is fantastic, but the downside in having the money in there for such a long time especially on one income can be very scary if by chance you need it for an emergency. Although we should already have an emergency fund which we have exhausted since I am currently unemployed.

Since one of our vehicles is paid off and my mother-in-law needed money at one point I put up the title to give that money for her to catch up on bills. My husband and I were at first very skeptical on doing so. We thought long and hard because it is said to not ever do busy or lend great amounts to family because catches are that they will not pay you back and you're stuck with paying the money they borrowed. So our mother-in-law assured us she will pay it

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back to us within one month and she would pull out of her 401k to make sure she pays us on time. All in all she did pay us back and it helped her catch up on the bills she owed at the time.

At the current movement my husband and I want to refinance our home and since it is a Veteran Affairs home loan we have been receiving tons of advertisements from companies that state they are associated and accredited by the Veteran Affairs. So my husband would then look up the companies on the better business bureau website and nine out of ten times there will be negative reviews on the companies and the consumers writing the reviews would be complaining the product being the refinance is not what is advertised. I believe it to be very difficult in trying to way out the options on refinancing. Because as mention the book there is also closing cost that could be added in the loan, but you don't save you just end up paying back.

I believe once I get my career back on track I want my life goal to pay off our mortgage preferably in fifteen years to save thousands on interest that in turn be used to interest in the long term mutual funds. Since my husband and myself plan on having children we will need to open 529 college saving funds for our children to capitalize on the investment for paying their tuitions.

Overall, this book should be read by many to help every individual handle their finances for a better future. It provides many advices for different categories and situations that most adult will encounter in life.