



Your Financial Life Depends on It

Dear Dave,
I've been struggling for about a year, ever since I made a stupid new-college-graduate decision to finance a car. It's a 2018 Jeep Compass, and I owe \$21,000 on it. The trade-in value is about \$11,000, so I really got stung on the sticker price and everything else. I also have \$85,000 in student loan debt and around \$7,500 on credit cards. The good news is, I make \$63,000 at my job, and that should increase to \$75,000 by January of next year. My girlfriend and I are renting an apartment and engaged to be married in 2025. How do I clean all this up before then?

Austin

Dear Austin,
Well, the good news is, you have the rest of your life to never make this kind of mistake again. I'm really sorry you're going through all this, son. What a horrible thing to experience right after college.

So, you're \$10,000 upside down on a vehicle you owe \$21,000 on, right? The truth is, you're kind of stuck. If you're serious about getting out of this mess and not repeating the same mistakes twice, you're going to be working like a dog for the next year or two. Right now, you need a serious side job nights and weekends—maybe two. And I'm talking bare-bones living. No vacations, and no eating out for a while. You don't need to see the inside of a restaurant unless you're working there. Get what I'm saying? No unnecessary spending. Period. On top of all this, you've got to start living on a strict, written monthly budget.

Now, about your fiancée. I get the desire to fix things before you get married. But married people work together on this kind of stuff all the time. Believe it or not, there's no perfect time to get married. I mean, it sounds like you two have already decided to go there and figured out neither one of you are perfect. That's just called being human. So, there's really no reason to wait on tying the knot at this point. And the truth is, the two of you can whip your finances into shape faster and much more efficiently working on it together—as a married couple.

Austin, I want you tear into this debt like your life depends on it. Because guess what, dude? It does!

— Dave

Don't Put All Your Eggs in One Basket

Dear Dave,
My employer offers an

employee stock purchase plan at a 15% discount. I'm usually the kind of guy who buys stocks and holds on to them forever. But when it comes to an opportunity like this, should I buy it and wait for a year to sell it, or should I buy it and sell right away?

John

Dear John,
Generally, I don't recommend buying single stocks at all. Single stocks are way too risky, and a 15% discount is nothing special in this kind of scenario. Virtually every single company out there that has an employee stock option plan offers a 15% discount.

In most situations like this, if you pull up a 52-week chart on the stock's performance, you'll find a variance of as much as 15% in those 52 weeks. In other words, you could lose any or all of that discount in one move of the stock. Plus, it's not like 15% is a big discount to begin with. Fifteen percent off a single stock, considering how volatile they are, is no big deal. But hey, if you love your company that much, they have a great track record, and the stock has a good history, go ahead. Just don't allow single stocks as a category to make up more than 10% of your net worth.

The core issue here is a lack of diversification. When you put all your eggs in one basket, there's always some clown twirling the basket. The first time I ran into that was a long time ago with a lady who was 70 years old. She had worked for a large company for 40 years. On top of that, she invested all her 401(k), all her wealth—\$800,000 total—in that one company. Well, this company experienced a crisis. It lost nearly half of its value, and her \$800,000 was suddenly worth about \$400,000. She left herself vulnerable with a high-risk play, John.

I'll say it again. Don't bet the farm on one horse, and don't have more than 10% of your net worth wrapped up in single stocks. Hundreds of research projects have been done that show individuals who buy individual stocks and think they know what they're doing actually lose money much more often than they make money.

— Dave

It's Not a Joint Venture, It's A Marriage

Dear Dave,
When my wife and I got married, she had about \$70,000 in savings and I had a lot of debt. We bought some property from her parents to build a home on, and she made a 20% down

payment on the land from her savings. We've paid off some debt, and she has more in savings now. But I feel guilty, and it seems unfair to ask her to pay on our debt with her savings since most of it is debt I brought into the marriage. How do you feel about this?

Sonny

Dear Sonny,

This question tells me you're a good guy with a good heart. But let me ask you a thing or two. When your wife gets sick, is it unfair for you to take care of her? You didn't cause it. It's not your fault. Of course, it's not unfair. I'm not mad at you, buddy. I'm just throwing your own logic right back at you.

Maybe these next lines will sound familiar: for richer or for poorer, in sickness and in health. The old "Book of Common Prayer" continues the vows and says, "Unto thee, all my worldly goods I pledge." This is called oneness. It's called unity. And it's what a good marriage should be about.

Do you get what I'm saying, Sonny? The two of you are in this together. This is not a business partnership or joint venture. It's a man and a woman pledging themselves, and all they have and are, to each other. I understand your feelings, but if you're not careful, that kind of guilt will stand in the way of you two creating a successful marriage—both financially and emotionally.

When you got married, the "me" and "mine" became "we" and "ours." You got all her stuff, the good and bad, and she got all of yours. Now it's time for you to work as a team to make the bad stuff go away and the good things even better. What's fair (and what's right) is to combine all of your income, all of your assets and all of your liabilities.

I know it's uncomfortable, but you've got to choose courage. Ask her to go all in on this with you and attack your debt together. Work toward making your dreams come true together as one.

That's what's fair, and that's what's best when you're married.

—Dave

Dave Ramsey is a seven-time #1 national best-selling author, personal finance expert, and host of The Ramsey Show, heard by more than 16 million listeners each week. He has appeared on Good Morning America, CBS This Morning, Today Show, Fox News, CNN, Fox Business, and many more. Since 1992, Dave has helped people regain control of their money, build wealth and enhance their lives. He also serves as CEO for Ramsey Solutions.

YELLOW FARE By Fred Piscop

1	2	3	4	5	6	7	8	9	10	11	12	13
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20	L	A	B	S	A	I	D	S	O	T	T	E
24	C	O	L	D	P	A	L	E	A	L	E	
26	R	E	M	O	R	A	S	A	G	E	R	
30	E	V	E	R	Y	W	I	N	E	F	L	I
36	F	I	N	N	M	A	X	E	D	L	I	D
39	S	L	A	P	I	V	E	S	P	I	N	O
42	L	A	X	E	R	B	E	E	T	L	E	
45	S	P	R	A	Y	E	D	P	A	N	S	
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