

0 (1s):

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1 (33s):

<inaudible>

2 (39s):

I'm so glad you've joined us on today's podcast. And here on the Clark Howard show, we try to give you information that will help you empower yourself so that you take more control of your wallet and your future. And, you know, we do that each and every day around the clock at Clark dot com and Clark deals.com. And one thing that is on some people's minds, very much in others who are like, really you're talking about that already is doing your taxes for last year. So there's a divide with this people who were expecting money back, who have overpaid into the IRS, or maybe you were do stimulus money that you're only going to get through you're return are highly motivated to file their tax returns as quickly as they can.

2 (1m 30s):

Other people who owe money. Wait, wait, wait until they file. So if you are someone who tends to be an early filer, I want to give you some good news and some bad news. First, the good news IRS free file is up and operative@irs.gov. What Free file is it is where you have an income under \$72,000 a year, which includes most taxpayers. You are eligible to prepare and file your tax return for free. If you go to irs.gov, moved down the front screen a little bit, kind of over to the right there are these boxes there.

2 (2m 18s):

You'll see a box for Free file. You click on that Free file box, and then it will take you to a variety of income tax preparation services. They will tell you, will they do your return in your state or not? And do they charge you for your state? Filing are both federal and state filings. Free stayed if you live in a state where the state income tax. And so you go ahead, once you select who you're going to use for tax preparation, prepare your return. Or if you have a statement as well, returns, and then you clicked to file, and that puts you in first position four on February 12th, when the IRS will accept those electronic filings and will put you at the front of the line for your refund as well.

2 (3m 14s):

Now, there is a complication with refunds this year. That's the second time I have said complication, right there is another one. And it involves the earned income tax credit. A significant portion of people who are eligible for free file are also eligible for the earned income tax credit, which is what is referred to by economists is a negative income tax that gives you money against your bill, or even beyond your tax bill, to

encourage people to work and work more. So the earned income tax credit has also been an area that's led to a lot of fraud.

2 (3m 57s):

So the IRS is going to start processing returns on the 12th, but will hold back on doing the refunds till typically a couple of weeks later after they process yours to go through a fraud detection software process, to decide that you really are as best as they can determine who you say you are and then your refund will come. So because of the additional steps involved in the process of getting a refund, it's important to you. You want to file your return as soon as you've got all your documentation and your W2's or whatever, and then know that it gets you earlier in the queue, get to through the anti fraud detection, and then we'll get you your refund sooner is the whole theory, the whole idea and the earned income tax credit.

2 (4m 57s):

If you're like, what is that? A lot of people, particularly with kids qualify for it, don't know, tax preparation software should pick up on whether or not you would be an eligible individual or couple for the earned income tax credit. And that's leaving free money on the table. If you are eligible and you overlook it, it's time for your questions. You post it for me at Clark dot com slash ask. And Joel, what you got today,

3 (5m 28s):

Are you Clark, let's start with the question from Juliet in Connecticut. She says, I am ready to buy a condo and I've got the cash. Should I forgo getting a mortgage? And then just start building up my savings again, I figure I would be saving the interest and origination fees, the appraisal, all of those things that could cost something in the neighborhood of like \$6,000, just in order to buy this condo.

2 (5m 52s):

Yeah. And with today's low interest rates, I know there are people would say, why would you give up that once in a lifetime opportunity to get a mortgage at two point or three point something percent? The reality is if you have cash sitting there earning a zero point something percent, there's still a couple of points. Spread are more between what mortgage rates are and what savings rates are. And if you have the cash and over time, what you would've paid and a mortgage payment, you build back up your savings pay cash is he mentioned you Save on all of those junk fees involved with the originating, a mortgage.

2 (6m 33s):

And it's just really a Clark smart thing to do to own that condo free and clear from the get go Krista

4 (6m 43s):

Clark Kenneth in North Carolina says my car lease is up in a couple of months. Should I renew buy the car? Or can you change to a different year? What are the variables? And money is an issue here.

2 (6m 55s):

So the first thing you've got to look at is miles that you've used the lease vehicle. If you're significantly below or significantly above the number of miles that you were allotted under the lease, those are two circumstances where normally it would make sense for you to buy the lease vehicle. In one case, if you've gone way over the miles, you're facing mileage penalties, that could be in the thousands of dollars. On the other hand, if you're substantially below the miles that the lease allotted, then you have paid for miles.

2 (7m 35s):

You didn't use your leaving money on the table. And that would also support you buying the vehicle. If you're around the miles that the lease allowed for, then you move to the next step, which would apply in all three cases. And that is what is the residual stated in the lease. In other words is what you have to pay to buy the vehicle versus what those vehicles are worth today. And now there's been an unusual cycle with used vehicle prices inflated right now. So in the overwhelming number of cases over the last seven or eight months, it's very much to your advantage to buy a lease vehicle for the residual, because usually the residual will be below the fair market value of that vehicle.

2 (8m 23s):

At this point, then the next factors are, have you enjoyed the vehicle, which is more a personal thing. If you have enjoyed the vehicle and it's been reliable and dependable for you, then yes, by it. If you're not a member of a credit union, join one. If you are a member, go to the credit union and see what they will write a loan for you for on this, what would now be a used vehicle that you would be buying? Knowing the entire history of it is would become the owner rather than the person we sell it. Joel,

3 (9m 1s):

Clark Ron in Oklahoma says my 20 year term life insurance policy is set to expire on my 69th birthday to continue with the same policy. My rates would go from \$1,800 a year to over \$28,000 a year upon this expiration. So is there an insurance company that offers life insurance for senior citizens without breaking the bank? I don't have any long-term debts in my house and cars are all paid for.

2 (9m 26s):

So the different issue in your case is at 69. You probably have no need for life insurance. You have all of these assets free and clear, and unless you are worth a zillion dollars, you don't have the possibility of an estate tax issue for heirs. And so your need for life insurance is all about replacement of income for those who depend on you to live. And if there's no one who absolutely needs your stream of income, you just let that policy expire at age 69. And you're done.

2 (10m 6s):

It's very, very rare that you would need to have a policy after that point. And imagine, just imagine those numbers, Joel, you said it goes from 1800 a year to 21,000 a year, 28,028,000. And that's because that

shows the bait in advantage of a long-term level term insurance policy. And that premium stayed so low for so long. Even as the risk to the insurer Rose every single year, Krista,

4 (10m 43s):

Delores and Georgia says are legal documents that you can obtain and do online really legally binding like wills, power of attorney. I'm considering doing my will online as opposed to the fee from an attorney. What's your opinion. Is there a site you feel is better?

2 (10m 60s):

Wonderful question. All right. So doing a will online can be completely valid, but whether you should do a will online, depends on a few circumstances. Number one, no family drama in your life, no blended families, no people who feud with each other, anything like that. If any situation where there's his kids, her kids, their kids, anything like that, you hire a lawyer to do. Will you got a lot of money. You hire a lawyer to do a, will you own a family business.

2 (11m 40s):

You hire a lawyer to do a will. So in other words, doing an online Will is only for very basic simple situations for people who have money, but not necessarily lot. And so will make, or is the granddaddy of self prep Will's. And if you use Wellmaker or use legal zoom or someone like that, when you're doing that, if at any point you get confused in the process, you bail and you go see a lawyer to do your will, and we've got much more for you coming straight ahead, including I just got my first vaccine,

0 (12m 25s):

You decided to upgrade your outdoor deck. So you ordered the essentials, a power washer, a set of patio chairs, and a shiny new grill. And you used your bank of America cash rewards credit card, choosing to earn 3% cash back on online shopping or up to 5.2, 5% as the preferred rewards member, which you put toward the cost of your most essential deck addition, a bird feeder apply for yours@bankofamerica.com slash more rewarding copyright 2020 bank of America corporation. You decided to upgrade your outdoor deck. So you ordered the essentials, a power washer, a set of patio chairs, and a shiny new grill.

0 (13m 8s):

And you used your bank of America cash rewards credit card, choosing to earn 3% cash back on online shopping or up to 5.2, 5% as the preferred rewards member, which you put toward the cost of your most essential deck addition, a bird feeder apply for yours@bankofamerica.com slash More rewarding copyright 2020 bank of America corporation

2 (13m 33s):

Here on the Clark Howard Podcast. I will let you know what's been going on in my life and ways that what happened to me gives me experiences that are of value to others. And I went through a lot trying to get a

vaccine for the Corona virus. I'm 65 and a half. I have preexisting and I have three preexisting things. And I hate it when people are older, start talking about their ailments. But anyway, it was really important for me to get a vaccine. And Krista was beating our head against the wall, trying to find me a vaccine anywhere and everywhere.

2 (14m 17s):

And I wanted to tell you, I really appreciate your efforts. Wow. You know what you really definitely needed when you qualified for a one and you have preexisting is, and we need you to get out and about again. So the way I got one is something that was kind of distressing. I got a phone call from my asthma doctor's office saying that I was, they had gotten their first hundred doses and they ranked their patients based on age and condition over age 65. And I came in 96, out of a hundred.

2 (14m 58s):

So I was the 96 patient in their practice to get a vaccine because I have moderate to severe asthma. And that's a contributing factor to having an adverse outcome from coronavirus. And so I was given a list of appointment times when in a, it was pretty speedy and had my vaccination waited around to see if I had any kind of reaction to the shot. And I did not didn't hurt at all. Getting the shot, no issues in the waiting period.

2 (15m 37s):

And then the next day in the day after my arm hurt, like I'd gotten slugged by Mike Tyson. I mean, I know he's older and his skills aren't as good. Even the older Mike Tyson, that that's kinda what it felt like. It just really was hurting. And it was funny because when the nurse gave me the shot, she said, are you a side sleeper before she gave the shot? And now it's like, huh, that's an interesting question. And she said, I need to give you the shot and whatever arm you don't lie on. If you're a side sleeper. So she gave it to my left arm and I see why cause the next couple of the nights, woo, that arm really hurt.

2 (16m 23s):

And then that was it. And I'm good. And I'll have, based on what I've read about, Moderna, I'll have significant, but not truly protective amount of vaccine in me late next week. And then I go back February 11th for my second vaccine. And then two weeks after that, I'll have somewhere between 88% and 95% protection from coronavirus. And we as a country would have totally bought the Corona virus, vaccine rollout. It's been just pitiful the way we've handled it, that shots are being thrown away.

2 (17m 9s):

Doses are being thrown away because of a terrible lack of coordination and disorganization at all levels of government. I read a story today about how much CVS and Walgreens that the feds were relying on to do the vaccinations at nursing homes, how much they allegedly have failed in their responsibilities to public health. And I hope that the publicity surrounding the failures of CVS and Walgreens, get them in to gear to do their job they're supposed to do or chronically enough in the story I read a read about. And I'm sorry, I

don't remember the source.

2 (17m 50s):

I read about West Virginia that has done a fantastic job vaccinating its nursing home patients. Why? Because they allowed local independent pharmacies to do the vaccinating instead of these big bureaucratic inefficient chains. And if I were the emperor of vaccinations, I would've gotten the supermarkets involved because CVS and Walgreen's are lumbering giants that are not in a competitive industry. The supermarket industry, on the other hand, that very heavily has a large pharmacy operations have the freezer capabilities already in place because of the temperatures.

2 (18m 34s):

These vaccines have to be stored. And in addition, they are so customer driven because the hyper competitive markets that they are in that they would not be asleep at the switch, getting these vaccinations done and we will get it together is just a tragic loss of life. During the time period we're losing because of a failure to implement vaccinations well and properly. A lot of companies, meaning of staying well. A lot of companies will require their employees to get vaccinated. Others will pay you a bribe or pay you money, whatever you want to call it to get vaccinated.

2 (19m 18s):

This was something that it was first announced, buy dollar general. And now bunch of companies are saying, they're going to pay people a bonus or additional pay hours or whatever to get vaccinated because everybody knows in business that the key to an economic recovery for American capitalism and for small businesses in particular is going to be based on getting enough shots in enough people's arms. And there are people who are anti-vaccine. There are people who are afraid of vaccines. And I hope that over time, as people see that the vaccine actually reduces the danger and the deaths and the hospitalizations that people who have been reluctant are skeptical.

2 (20m 11s):

We'll change their opinion on it. Now I know there are people who object to me discussing this. And so you can go to Clark dot com slash Clark stinks. And let me know how you feel like I need to stay within my boundaries, talking about the best deals on savings rates or whatever, but I am so concerned about the economic future of individual Americans, American entrepreneurs in their businesses, small businesses and our relative economic health versus countries that wish us harm that I really, really want to see us get behind the vaccines and make our country not just physically healthy again, but economically healthy again.

2 (21m 2s):

And it's time for your questions. You posted for me at Clark dot com slash ask. And Joel, what you got for me,

3 (21m 9s):

We are Clark Vincent in Arizona has got a question and he says, hi, Clark my wife. And I are thinking about selling our house in the next few months and purchasing a new home. We hear so many advertisements about programs like offer up to sell your home in a different kind of way. What kinds of advice would you give to someone considering using a website like that versus using a real estate agent to list your home?

2 (21m 30s):

Yeah. So there are a lot of players piling into the what's called the high buyer's business. And Zillow is one. There are, there are a whole bunch that are doing this one in particular called knock is for people that are selling one house and buying another. It works with participating builders to make sure that you're going to be able to be a buyer of the new home by guaranteeing you the sale of your old home. So I have surveyed these companies. I actually sold a property from through one of the buyers. It was that last year or two years ago, I guess, almost two years ago.

2 (22m 13s):

And the process is very easy with the eye buyers. You put in a request and they will tell you right away, if your home is when that meets their eligible criteria for them to buy from you, you tell them when you'd like them to buy it and all the rest they make an offer to you. They charge you a service fee, which has kind of have like a rough equivalent of a real estate agent's commission. And you're done the beauty of trying several of the eye buyers against each other is there will be big differences in what we can. I buy her, thanks for your house is worth versus another versus another in you and may end up deciding you don't want to use any of them.

2 (22m 57s):

And you still we'll have the data on what they think your home is worth, which we'll help you in placing a value on listing your home either for sale by owner or with a traditional real estate agent is as far as complaints about the I buyers, the only complaint we ever had was about feeling that they low balled on the offer made to your house. And we've only had that complaint over the last few years, a couple of times. So it is a legitimate way for you to move a house with certainty instead of putting a house on the market and not knowing how quickly or slowly it will sell.

2 (23m 40s):

One other angle on this is that if you are afraid of Corona virus, you don't have to worry about your home being shown. You move out. And the eye buyer is the one that has to fix it up the way they want, put it on the market and deal with the showings and all the rest you don't. You're out of the picture. Krista

4 (24m 4s):

Judith in Georgia says, is there a work from home company? There is a work from home company that's being advertised online. I'm looking for a re a legit work from home job. How do I tell if this company is for

real, thanks for your help and for all you do to help the consumer,

2 (24m 19s):

This is gonna be the most, one of the most negative things you'll ever hear me say. You have to assume that every work at home opportunity out there is fraudulent until proven otherwise. And I will tell you, we revise our work at home guide at Clark dot com regularly and of the ones we can look at to decide if they should be included. Wow, well, more than 90% end up being rejected for inclusion on our list, because most of them are cons. They are not necessarily out and out frauds, but they misrepresent over promise under deliver.

2 (25m 1s):

Be very cautious with any organization, particularly anybody who wants money from you. That's when you know, you almost certainly need to run the other way. It's occasionally true that you may have a tiny fee for a background check, usually under 50 bucks. And that could be legit depending on what kind of work you'd be doing, but be careful out there. Joel,

3 (25m 29s):

Clark Dan in North Carolina says when I heard that your radio show is ending, I was crushed, but I'm really enjoying your podcast. I can listen whenever it fits into my schedule. So thank you so much for continuing to produce it. I recently reviewed my children's five 29 earnings in 2020. My older child has more principals since simply just to being the older child. However, my younger child has had a More earnings last year. I attribute this to the age of adjustment, investing in the plan. However, since he is four years from college. And since you advice for us to not use the funds until junior or senior years, is it too soon for that portfolio to be moving into a little bit more of a conservative investment style?

2 (26m 7s):

No, let it go more conservative on the age based because you don't know what the market brings us to. The next few years, stocks are very highly valued right now. We have a really decent chance that in a shorter term memories talk about investing, being something you're doing for seven years or longer in the shorter term, we have risk of the market turning down and you ending up with less money available for college. If you go into something a little more aggressive in terms of age based, so I would leave it be, and you don't have to follow my junior senior thing on five 29 money at all.

2 (26m 48s):

It's just, my bias is built in that way. It is a specific rule though, typically for five 29 money, it's in the name of a grandparent for a beneficiary of a grandchild. Hope you've enjoyed today's podcast and you are finding your way to us from where you listen to me on radio. If you want to subscribe to the podcast, just go to Clark dot com slash podcast.