

0 (1s):

You finally decided to learn how to ice skate. So you ordered the essentials. Every ice skater needs a pair of blades, a new helmet, and a good set of knee pads. And do you use your bank of America cash rewards credit card choosing to earn 3% cash back on online shopping rewards that you put towards the cost of an essential piece of post skating recovery, a heating pad Visit [bank of america.com/more](http://bankofamerica.com/more) rewarding to apply now copyright 2020 bank of America corporation.

1 (33s):

<inaudible>,

2 (39s):

It's great to have you here on today's podcast and coming up, you know, there's something a lot of people are doing. That's costing them 40 or 50% more than it needs to. I'm going to feel you in how you are eating up your wallet, by the way, our website's Clark dot com and Clark deals.com. And we've got these fantastic newsletters, at least I'm biased. I think they're great newsletters that you can subscribe to. And we also have flexibility with how many newsletters you get from us so that we don't give you more than feels comfortable, but it gives you enough up-to-date information that you're happy with.

2 (1m 25s):

What's showing up in your email in basket. I want to tell you something. I was driving down a freeway and I saw a billboard and I was like, yeah, right. It was a billboard for Carmax. And it said that Carmax was giving you a 30 day, right? To return a vehicle for a refund after you buy it. It was like, it was a, some kind of market test or what is this? So I get on Carmax as a website and it's the real deal they facing. A lot of pressure from Carvana have really had to step up their game.

2 (2m 10s):

And now they're doing touchless deliveries and all of this kind of stuff. Instead of Carmax his original business model, which was where you went to these giant parking lots, and you went around with a salesperson and it would run around and a short test-drive and all of that. So now they're really trying to respond to the marketplace and Carmax now is doing 24 hour test drives, which gives them a real leg up on, there are tribal Carvana where you no obligation. You can test drive a vehicle for a full 24 hour period. And that fits.

2 (2m 50s):

If you think about something I've talked about for the last, Oh, I don't know, 25 years that when there is a model, make a model, your interest in that you go that car for a weekend or SUV or what ever to really experience it. What you can learn so much more than you can from a 10 minute test drive. Well, Carmax now, you know what I mean? You have to pay, you can go test, drive it a vehicle for a full day. And then if you do buy it, then you've got that month to decide whether or not you like it or not. And if you don't, as long as you don't go over the miles, they allow you to go and stuff like that.

2 (3m 30s):

You just take it back and say, Hey, this was nice. Not for me. And you're done. And what I love about what's happening in the dynamic part of the used vehicle market is it's all about focusing on what the customer wants and eliminating pain points. Carvana which I mentioned is one of the fastest growing companies in the United States. And they keep losing money. Well, apparently, but they are all about market share. And the used vehicle market very heavily, well, you oriented towards selling used vehicles to people under age 40, who buy a vehicle right on their smartphone and finance it if they want right on their smart phone.

2 (4m 21s):

And then you could go to these gimmicky vending machines. If you live in a part in the United States, or you have seen the vending machines, they locate them on high traffic Corridors, usually Buy interstates. And you go in and you put the special token in there and the vehicle comes down an elevator and you get in it and you drive the way. And so it's pretty crazy. You also have the right to return a Carvana vehicle for seven days. And what's happening in the used vehicle market. Is that right? The market share of traditional dealers who play the rough and tumble games. And second, you leave the lot. You're stuck with a piece of garbage used vehicle with no right to return and all of that.

2 (5m 6s):

They are steadily losing market share To Carmax is in Carvana is, and the imitators have the two of them that are popping up around the country. I was very disappointed in one of the large traditional dealer groups is now opening their version of a supposedly customer friendly used vehicle. A lot in more and more cities, particularly around the South and the West. And they don't give the customer friendly things of clear pricing. The right to return for a full refund are all, all of that.

2 (5m 46s):

And so traditions die hard and industries, but when you buy a used vehicle, well, no, that still, even though these players that are customer friendly are the fast growing ones. Most used vehicles are still sold in the hostile anti-consumer environment of their traditional used vehicle market. Be careful, but I don't care where you buy your used vehicle. I want you to have it checked out by a mechanic of your choosing with a seller who allows you are a right to return for a period of time for a full refund. When your, when you have that vehicle in your possession, have it checked out during that time, if you're buying one from a traditional anti-consumer dealer, either a new car dealers used car, lot that Sandy consumer, or a used car, lot that Sandy consumer, you need as part of a condition of purchase to check out that van and have the vehicle checked out by a mechanic prior to your commitment to buying.

2 (6m 52s):

If a dealer will not agree to those conditions, they got something to hide, and that's not where you buy your vehicle. It is time for your questions that you posted for me at Clark dot com slash ask and Krista what you

got for me.

3 (7m 8s):

Well, speaking of buying cars, James, in Michigan, it says any suggestions on buying a used car online from car rental agencies. Thanks. And I love the Podcast

2 (7m 19s):

Car rental agencies. Thank you very much. And I'm glad that you do enjoy the podcast. Buying from a car rental agency is something that I'm of mixed opinions about the car rental agency sales tend to be vehicles that will be newer models years, but have unusually high mileage on them for being only a year or two old. The other thing is with the financial difficulties of the car rental industry due to Corona virus, I'm worried that in the last year that the, the car rental fleets have not been maintained as well as they should have been in regularly scheduled maintenance may not have occurred as it should have.

2 (8m 5s):

So buying from one of the, a rental car companies, sales lots requires even more diligence about having a vehicle checked out by a mechanic of your choosing. And I've always had a bias that I could be wrong about. I've always preferred to step back and model year to get a vehicle with lower miles on the odometer. When you buy from the rental car fleets, you are doing exactly the opposite, your getting a newer model year, but tend to have a very high mileage that you're already owning on that vehicle.

2 (8m 47s):

Joel,

3 (8m 48s):

Clark JC in Mississippi says my mother has \$60,000 sitting in a bank collecting no interest. She's 75 years old. And while I'm tempted to help her invest this money to get a little bit more of a return, I'm also trying to limit her risk and make sure that her money's available in case of emergencies. So it would be the best route for her to make the most of this money in these crazy times.

2 (9m 12s):

So this one's not easy because at 75 years old, it's not a good idea to invest that money. And so having it in savings is going to earn a tiny amount of interest. Even if you shop around with the onlines right now, and that might only get you a half a percent of interest, as an alternative at 75, if nobody is, he's not concerned, you're not concerned about anybody inheriting a leftover amount of this 60,000. You could actually buy something known as an immediate payout annuity, which would give her a huge amount of income every month if she needed it, because her remaining lifespan actuarially maybe she'll live to be a 110, but the actuarial tables say sadly, not a lot, lot longer.

2 (10m 13s):

So an immediate payout annuity or life annuity would give her a really nice, a monthly check moving forward. Don't know her financial circumstances as to whether that would be a viable choice for her. And also if somebody wishes to inherit, but if she doesn't truly need the money to live on right now, if she's living on a social security and other sources of money, then just be dull with this money and put it in an online bank, earning a relatively small sum. And then, you know, the principal is safe and the money is there when she needs it.

2 (10m 52s):

Krista

3 (10m 53s):

Celia in Alabama writes, I want to know if you recommend car protection plans after your car is out of the manufacturer's warranty, which one? And what's a reasonable cost.

2 (11m 4s):

So thank you for this question, because this is a field that it's a ripe with crooks and fraudsters. So if you're going to buy an extension of the manufacturer's warranty, the only safe place to Buy that is from the manufacturer itself is they will still write an extension of the warranty with the mileage in years on the vehicle. You buy it from them. So if you're buying, if you have a Ford, you buy it from Ford. If you have a Hyundai, you buy it from Hyundai, whoever it is, you buy it from that manufacturer. I don't mean their dealer because the dealers generally sell these garbage third party warranties.

2 (11m 48s):

So that would be the safe way to get this done is to Buy a manufacturer's own warranty. If you can't, then a few thousand dollars, you'd have to pay to buy one anyway, put it in a emergency fund account, a savings account. And then at the point, the vehicle needs a repair. You're already to the good, a couple of thousand against the cost of that repair. And coming up straight ahead on today's podcast, I want to tell you how we're eating up our wallets.

0 (12m 25s):

You decided to upgrade your outdoor deck. So you ordered the essentials, a power washer or 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 a preferred rewards member, which you put toward the cost of your most essential deck. Addition of 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 or 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 a preferred rewards member, which you put toward the cost of your most essential deck edition. A bird feeder apply for yours@bankofamerica.com slash More rewarding copyright 2020 bank of America corporation.

2 (13m 34s):

I am the King of curbside pick up. That's how I do things now is I am in my 11 month, 11th month being in semi quarantine. And I am not a big fan of delivery of groceries or a restaurant meals, but I love going and picking stuff up. And it's not about necessarily saving money, particularly with restaurant pick up my experiences that if I'm there to pick up curbside at a restaurant, I get back home with the food, a lot hotter bin.

2 (14m 17s):

If you wait for delivery that many times they're making multiple stops by the time the food gets to You. Well, it's not that great, but then I completely lost my appetite. When I saw a long form story and the wall street journal about what it actually costs you to have delivery. Do you know, typically it's as much as 50% More in averages, roughly 40 some odd percent more when you have delivery of Food done for you by the big players door dash grub hub, Uber eats, and in some cities, Postmates has meaningful market share that these players that I believe have been really harmful to the restaurant business 'cause they maintain the data on the customer.

2 (15m 16s):

The restaurant's have a lot of costs involved with selling through these places. And the restaurants are between a rock and a hard place. If you're a smaller restaurant, you may lack the capability of setting up a good online ordering system. And you've got a lot of people who like to do everything electronically, and they're not going to do the old fashioned thing of picking up the phone and calling. And I actually, if a restaurant has its own online ordering tool, it's not done by some, you know, scavenger, a third party is going to eat them alive with fees, I'll order on the app.

2 (15m 56s):

Otherwise I do something like I'm in the analog era. I call them and I placed the order on a telephone. Now I'll tell you, one of my children is completely averse to talking to anybody on a phone. Now I'm going to say if it's a, my son or one of my daughters, but the phone thing just freaks them out and having to call and talk to somebody is a horror for me. I like talking to people. So I call up and I order, or I order on an app or I order on my laptop and pick up the food and cut out that massive, massive, additional costs that you're going to have with one of these third-party services.

2 (16m 51s):

And, you know, you may be thinking, wait a minute, what about the people that are earning a living,

delivering food for one of these players? Well, they're getting clobbered because they don't get much of the take. You know, you hear how much people complain who work for these deliver food delivery services that they are getting so little, have the money, and they're running all around doing all these deliveries. And so can you just say to be fair, go ahead and for a second, cause I know, I see I'm looking at your face by the way. Let me tell you a sense. I am in quarantine, a Krista and Joel are in the Podcast, the fancy Podcast studio.

2 (17m 34s):

And I am in my home studio and your facial expressions. Joel, would you kind of just sit there dead pan, but Chris says I can't help myself. I had to look away sometimes. 'cause you look like you are about to explode sometimes have to talk about things because first of all, confess Krista that you order, there are three meals a day and you order a seven times a day delivery.

4 (17m 57s):

Should we order way too much? But I thought it was helping restaurants, especially if they don't have, you know, the delivery service. And I always make sure the app I usually use, I actually get that for free, like through my credit card. And it says like, you can specify a tip for your delivery person, that you are a hundred percent goes to them. So I always pay attention that no matter what I'm delivering, if we're ordering that I can specify. And if not, I tip them in cash. I think it's important if we leave it in an envelope outside, if we're having them drop it. But my, I do have to say my 15 year old son, I almost died one time. We, he has his own debit card. He's in charge of all of that. It's his money. And he opened himself an account with one of these services and he asks us to take it to go out and get like an ice cream or something.

4 (18m 42s):

And I, and we were like, no, we're not going anywhere. And then all of a sudden, our doorbell rang about an hour later and he has ordered a McDonald's McFlurry, threw one of the services. And I'm not kidding you. It cost him like, I think it was \$18. Cause he tipped as well. It was crazy

2 (18m 60s):

An \$18 McFlurry

4 (19m 3s):

From dairy cream and one time to, there's definitely a pattern with him. And I was like, you are throwing your money out the window.

2 (19m 9s):

So here's the thing that Krista You deflected in had to blame your son for the most egregious ones that was helping the restaurant's day in business. Talk to talk to one of the independent restaurants. You like to get food from talk to a manager or owner, ask them how much they get eaten alive by Oh, that's bad pun. How

much they got taken for Buy these third party delivery services. And you'll be consumed by your guilt and you will start doing what I do. And you'll go do curbside pickup at these places. Isn't that hard to go do curbside pickup it, by the way, inquiring minds want to know that McDonald's from your house is just a walking distance.

2 (20m 1s):

Why didn't your son just walk to the McDonald's and get his McFlurry?

4 (20m 7s):

I'd ask him, but he'd probably just grunt at me. Cause he's 15.

2 (20m 10s):

You gotta, you gotta McDonald's and you've got a dollar tree and a Starbucks, all walking distance from your home and you go drive to the Starbucks. Instead of walking there to get your ice coffee. I walked there. I've never ordered from there. You've never ordered. I've never had to do

4 (20m 31s):

Food. I'd never had a drink delivered from Starbucks or anything like that.

2 (20m 35s):

Well, when I talked to you the other day, you were in your car waiting and a line at the Starbucks.

4 (20m 39s):

Oh yeah. That was a different one. That's not the one in my house. We were going to a soccer tournament and those are always super.

2 (20m 45s):

Okay. All right, Joel, I I'm going to get a Clark stinks for picking up.

3 (20m 52s):

It was just thinking you totally deserve it. You're going hard at Christa here. Well, she, she admitted it.

2 (20m 59s):

She orders all of this stuff and then she turns around and picks, saw

3 (21m 2s):

An airport site and he deserves it to, you know, an \$18 McFlurry. Sounds, sounds a little outrageous. Doesn't it? You want to get some questions? Clark yeah. Alright. Let's go to Jim in Ohio. And he says, hi, Clark I'm one of the unfortunate ones who have been laid off from a job of 21 years. I've been told that it's because of

COVID. I think it's a more like corporate downsizing of older, almost ready to retire, loyal workers. I don't have time left to make a mistake with my 401k so I can use your advice. I trust you. So does America, what should I do with my 401k once I'm out of here?

2 (21m 41s):

So first of all, I'm really sorry that you may have suffered age discrimination. You know, it's one of the hardest things to prove and I've heard it again and again, over this last year that companies have been using the cover of Corona virus to get rid of older experience workers. I had the same thing that came up during the great recession. And I remember I did a series of town halls around the country where I talked with people who had been a downsize, whatever you call it during the great recession and overwhelmingly, they were older employees who felt to their core, that it was because they were older.

2 (22m 30s):

And it's one of the areas of labor law that obviously needs beefing up with employers discriminating against older workers, which by the way, you may wonder what seems to be the age that I found in the great recession that employers decided people were surplus. It tended to be people in their mid forties and older, who were the ones that were being excised because what they represented in payroll. And you're so right, your 401k that hopefully you've had the opportunity over the years to build up a nice reserve. And you need to be very careful what you do next.

2 (23m 10s):

And if you feel like you need advice with how to handle that money, I want you to make sure that you only get advice from a fee only financial planner, who is contractually legally obligated to you as a fiduciary, meaning they're only working for you, but there's something else as well. If you don't need the 401k money right now, just leave it and vested in what will soon be your former employers plan. They have to let you remain there and let the money continue to hopefully grow over the years ahead. If on the other hand, you are at the decision tree that you're being forced out and your likely not may be to work again.

2 (23m 57s):

You're going to be forced into an early retirement or reduced employment moving forward. That's when I think it would be very useful for you to talk with a Garrett planning network individual. If you're looking for where you could find a fee only planner who has a fiduciary, we have a link to that at Clark dot com and you're able to protect this hard earned money of yours. Moving ahead. And I'm really sorry about the circumstances. Krista

4 (24m 30s):

Danny in California writes, I am in escrow for my first home and currently shopping for home insurance. I've received quotes from multiple big companies, but lemonade comes out the cheapest, even with multiple multi policy discounts. What would you recommend? I go with a new company like lemonade.

2 (24m 48s):

Laminate is not a rookie anymore. Lemonade spin been around long enough that we have had enough experience with them to tell you that we're not hearing problems from them. We wrote a extensive review of lemonade on Clark dot com a about a year ago, maybe a slightly more than a year ago. And we have been really intrigued by their model. They don't do auto insurance, but they do homeowners. They do a rental condos, that kind of stuff. And now the pet insurance. Okay. I don't ever think a pet insurance. They are available in only a little more than two dozen States at this point, but their business model is totally different.

2 (25m 33s):

Instead of being your adversary, they treat the relationship with you as your partner and they give their excess profits. If they have good claims experiences to charities that you designate rather than being in the traditional adversarial relationship. So I think it's a very worthy as an option and as they get more and more market share is they're in so many States. I'm sure that we'll come a time. We'll hear claims related complaints, but so far so good. I hope you've enjoyed today's podcast.

2 (26m 13s):

And if you just kind of found your way here, go to [clark.com/](http://clark.com/) Podcast and see all of the ways you can regularly listen to us.