

0 (0s):

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1 (34s):

<inaudible>

2 (40s):

To have you here on the Clark Howard show, you know, our mission is to serve and empower you. So you make better financial decisions for your life. And I thank you for listening. I hope you'll subscribe. If you like what you see here. And in today's episode, I'm going to tell you why Godiva closing all its stores in the us serves as an actual warning for your wallet and its not about chocolate. But first I wanted to talk about something many people have been doing in the last year and that's moving and there's new data from U hall where people are moving from and to what places people are heavily moving to in the United States.

2 (1m 31s):

And for the first time ever, Tennessee is the state that has having the largest in migration followed by Texas, Florida. And you think about Texas, Tennessee, and Florida, what do the three of them have in common? And he went and he went and he wouldn't want to guess no state income tax that is right Joe Lars guard. And you would think that that explains why those three States would be the ones having the most in migration. But then you look at the other States that people are moving into very heavily and it has nothing to do with having no state income tax Oh Ohio.

2 (2m 20s):

It's seeing the fourth-largest and migration the country. Now think about that. That's what used to be called the rust belt. But Ohio has a number of things going on and economic conditions that are leading people to move into the state of Ohio, Arizona, Colorado. Now what actually is in common with Texas, Florida and Arizona wonderful warm weather. And in terms of a Colorado, Colorado is just in Colorado, has been in for so long and WhatsApp.

2 (3m 4s):

They have a lot of sunshine. They do have a lot of sunshine. They got those beautiful mountains. It, it is a recreation Mecca and you know, traditionally, Colorado has and survey after survey has had the most fit people in the United States now where people, people not moving to number one in a low migration or out migration, California. Now a lot of people would say, Oh, it's because the taxes in California. And if you're rich, California kills you with tax.

2 (3m 45s):

But do you know that according to research done by Kiplinger's California actually doesn't have high tax burdens for the typical tax payer. They are actually a very moderate tax so it's not all tax. You know what it is generally with the States that people are out migrating from housing costs, state after state, that people are doing out migration from it's the cost of what it is to put a roof over your head, either as a renter or a homeowner is the key factor that is making it undesirable to live in a lot of places.

2 (4m 29s):

And so there are a lot of factors involved in where people locate taxes being one of them and obviously one, two and three Tennessee, Texas, and Florida, no state income tax on any of them. But Texas overall does not necessarily have a low tax burden has extremely high property taxes because the money's got to come from somewhere of Florida benefits from all the tourist hours that subsidized the operation have government in the state of Florida. And so that's been a real booster for them. Tennessee has very high sales taxes, but then in turn no income tax.

2 (5m 16s):

So the no income tax though is very, very attractive as a feature. And a, you might be surprised if you look at this list and we'll have a link for you on the podcast notes, where you can link to the full list where various States rank that would not necessarily be where you would expect. But a lot of the end migration that is happening like in Texas, the population overwhelmingly is going to the big for Austin, San Antonio, Dallas and Houston. And that has been the general trend.

2 (5m 55s):

Tennessee Nashville is getting the big population in migration and in state, after state, people are being attracted to pleasant environment to live in and affordable housing and jobs that are concentrated in a big urban Metro areas. And one thing that comes with a move to be very careful when you hire a mover, yet another report just came out in the LA times about the horrific problems people are having with movers. There are a lot of a mob run moving organizations.

2 (6m 37s):

This is somebody who knew that organized crime was so heavily infest. The moving industry But for the last 40 years, the moving industry has had a big problem with organized crime. There are a legitimate players in it that do not cheat you that do not steal your possessions. You have to be very careful in hiring a mover, how you get a quote where you find a mover and one place you should go to is moving.org and look at a pro mover, which are the movers that have agreed to waive by a code of ethics, a procedure for quotes and how to handle disputes.

2 (7m 17s):

If there are problems during or after a move it's time for your questions for me that you post a Clark dot com

slash ask and Christa, what you got from me,

3 (7m 28s):

Joanne in Virginia says, hello, Clark and team. Thank you for all of your hard work, helping us I'm writing today because I have lost my W2. I'm just not sure if I misplaced it at home or dropped it after picking it up at work, I'm concerned because all of my information is listed on the form. My credit is frozen. What else should I do?

2 (7m 49s):

The greatest risk in that W2 is that this is so obscure that it would happen if you just dropped a W2 on the ground. Is that someone who with a crime of opportunity, new, how to file a tax return is if they were you pretending to be you and stole a refund from you. So that is, there are people who do tax ID theft, but just losing your W2 is not likely to lead to that. Your credit's frozen, which eliminates the biggest concern I'd have. So just get another copy of your W2 from your employer.

2 (8m 30s):

And I feel confident that everything's going to be a okay for you. Joel

4 (8m 36s):

Clark Jean in California says we have a CD. That's nearing maturity. It's with a credit union in a city where we used to live 350 miles away. We do not want a cash in the seedy of this time, but we would prefer to transfer it to a bank or a credit union in the area where we live. Now, can we do this without getting a tax hit for the entire account value?

2 (8m 57s):

So that tax hit is only on the interest you earned and that happens anyway. So there's no problem with you getting this money sent to you by the credit union and putting it into a new, online savings account or CD or whatever it is you want to do that has no tax consequence or effect for you once that seedy, that you've had matures. And I'm assuming Joel, from the way the question was worded, they are at the maturity point for that CD

4 (9m 32s):

It's right in there looking to, yeah. So

2 (9m 33s):

There was no problem at all with that Krista,

3 (9m 38s):

This is from Barbara in Florida, I just received my replacement visa card that fraud had occurred on and I

have not activated it yet. I'm also carrying another credit card that was recently renewed, but I have not activated that either. Is this a bad thing? Should I do this immediately?

2 (9m 55s):

Do you wanna, you wanna go ahead and activate these cards so that they, the issuers don't decide, Hey, this person's not using these cards, we're paring back our, our credit card risk. And so we're going to close these accounts. So you want to go ahead and activate them and have them available and please use your cards, at least occasionally that you have so that you're not somebody who the credit card company, the bank decides, you know, this person's surplus. We are getting rid of that. You don't want to lose your available credit. Joel Clark

4 (10m 32s):

Todd in Washington says I recently refinanced my home too, a 15 year loan at 2.75%. During the process, the mortgage company made an error and rather than making, rather than making the loan for \$270,000, they did it for \$170,000. It appears that after months of stress and threatening a lawsuit, that that it's going to stand and I'll save a hundred thousand dollars on this loan. Would it be pest for me to pay off that mortgage as early as possible and increase my contributions to my 401k or pay off the new car loan that I got as early as possible.

2 (11m 4s):

Wait, wait. My head's about to explode. So this was a refi, right?

4 (11m 13s):

Yeah. A refi. And apparently Tod is going to have a hundred thousand dollars less than outstanding mortgage balance.

2 (11m 20s):

Did that happen? Because the new lender had to pay off the old lender. So this is something that lawyers refer to is unjust enrichment that you have received in a hundred thousand dollars benefit. You're not entitled to, I'm just completely befuddled that nobody has figured out how to make this right with you not getting a a hundred thousand dollars. You didn't win a lottery here. This is just bonkers. Wow. I, I don't even know what to say because I can't imagine that that is the end of the story that you just got an a, a, a a hundred thousand dollars gift.

2 (12m 5s):

But if we're going on that assumption and you have a loan at 2.75%, and you have a one 70 on it, you were prepared to pay what it would have been. If it was a \$270,000 balance, you could pay additional principal every month towards it using what you would have paid in your original expected payment and greatly

reduce that debt. But if you have any other debts that carry a higher rate of interest, they would be a higher priority. If your not funding a Roth IRA, that would be a higher priority. Because over time, you're going to earn more than 2.7, 5% on a Roth IRA than what you're going to save in interest paying towards the balance, that mortgage.

2 (12m 55s):

So I would say that there are other priorities that would potentially come first before you would prepay principal on a to 0.7, 5% mortgage and from news and the weird that is the weirdest mortgage situation I think I've ever heard. Wow. Krista,

3 (13m 19s):

Tom in Florida says we have been lo to mail and passport's for renewal due to concerns with COVID governmental shutdowns or slowdowns. Should we be concerned?

2 (13m 30s):

Well, if you're not traveling anytime soon and its time to go ahead and renew your passport, it doesn't matter if they slow walk, renewing your passport. And that way you go ahead and get it done at regular prices, instead of later saying, Hey, it's, it's okay to travel. Now we need a passport tomorrow, and then you have to pay all those extra fees. So I would go ahead and let them go slow, walk your renewal at regular rates. And I tried, I've floated to trial balloons with my wife lane about going ahead and booking travel for later this year. And I got shut down cold both times psychologically, even though she almost certainly we'll have her, both of her vaccine shots by who knows April may, based on what the Fed's are saying.

2 (14m 22s):

She's not psychologically ready to book any travel and it's killing me. Hey, we got stuff for you. You come in and straight ahead that we're going to talk about, including what are we going to talk about, Chris?

3 (14m 36s):

Let me see. We're going to talk about chocolate bats, right?

2 (14m 41s):

I've heard God. We're going to talk about Godiva and why is it going to be harder for you to just walk down the street and buy a Godiva chocolate and why in the world that would matter to you. If you don't buy chocolate and you don't eat Godiva

0 (14m 58s):

Sited 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, cashew awards, credit card, choosing to earn 3% cash back on online. Shopping are up to 5.2, 5% as a preferred rewards member, which you put towards the

cost of your most essential deck. Addition, a bird feeder apply for yours@bankofamerica.com slush more rewarding copyright 2020 bank of America corporation

5 (15m 32s):

Pay there. You're up for getting down with low prices, right? Well, Fred Meyer goes lower than low on food. That's fresher than fresh. So when you're crushing on clementines seeking a savory salad or choosy about your chicken, just open the Fred Meyer app, you'll get more ways to save on the fresh new love with personalized coupons, weekly sales and rewards, like fuel points, all for prices that are even lower than the everyday low. So go where, you know, it's lower than low Fred Meyer fresh for everyone.

2 (16m 2s):

Great to have you here on the podcast. And I don't know if you know this about me. I have a sweet tooth. So any time I hear about anybody who is a candy purveyor closing their doors? Well, I make note of it. I'm not a big chocoholic person though. And so I wasn't particularly crushed when Godiva announced that it was closing its retail stores, but there's a lot in this for you that I want you to think about. There are Retailers closing locations quietly, or noisily small players are big players in, in between.

2 (16m 43s):

And we in the United States, somebody I've talked about for the last 15 years is how over-stored we are. And in spite of us being over-stored people kept opening stores again and again, and again, till it seemed like we had shopping centers coming out of our ears. And if it seems like that, it really is true. You know, we have far more retail square footage in the United States than any other country. So let me tell you the numbers. I saw a Forbes calculation. We are basically 24 square feet of retail space and the United States for every living human being in the United States.

2 (17m 27s):

So think about that compared to the rest of the world. It's like five times what you'd find in Europe about 10 times, what you'd find in much of the rest of the world. So we have been massively over-stored square. I mean, we just got way too much And so online are blamed for everything are credited for everything. Online sales now are somewhere upper teens in the United States. Meaning most retail still is in traditional bricks and mortar stores. Even if people place the order online for pickup or whatever, it's still traditional stores.

2 (18m 9s):

So there's more going on here than just a pivot. Online shopping. People are not, this is not there on shopping strike. It's just, there's too many places to shop. And so one chain after another, after another, we know of, and then a small local places, one after another, that we may not know of, they are closing their doors. And a lot of people received gift cards at Christmas time for various. Retailers why those retailers aren't gonna make it to spring.

2 (18m 51s):

Use those gift cards, use them before the Retailer ceases to exist. You know, all of us get gift cards as gifts. And, you know, I talked last year, I'm actually a year and a half ago, not quite leading into Christmas season 2019. And I talked about where we were cleaning up some cabinets and we found these gift cards for various retailers and restaurants. And I was so embarrassed that I had five gift cards for different places that had gone out of business five that have gone on used.

2 (19m 33s):

So do what I say, that what I failed to do myself and use those gift cards. Now, when I make a mistake like that, I have a logical consequences for myself. And generally I don't eat for a few days or something like that to make up for it. And not really. I just want you to know that retail and obviously the restaurant business as well, very unstable in the United States and gift cards are a rapidly depreciating asset that can depreciate to being worthless before you know it it's time for your questions.

2 (20m 17s):

You posted for me at Clark dot com slash ask. And Joe.

4 (20m 23s):

Yeah. Clark lets give you some questions. David in Kentucky says Clark I don't want to sound too morbid, but when you die with an outstanding auto loan, what happens? I was told by a car dealer, they go after the next of kin for the money that's owed. I don't believe that personally, but I think at the time he was trying to persuade me to lease an automobile. Thanks for all you do.

2 (20m 42s):

Okay. So leasing does not release the obligation either. So telling you, Oh, you don't want to have a loan outstanding. 'cause what happens if you die suddenly you're your family is going to be stuck with us and then tell you, so that's why you should lease when it can actually be worse in a lease in that situation. So here's how this plays. So first I'm glad you were able to post the question because it means you're still with us CEGA and I hope you will live a good long time, but third, if you did pass away, well, there was an outstanding auto loan early. So what happens is it becomes not a direct obligation of a family member.

2 (21m 27s):

What happens instead is if you die with a will your executor, or if you die without a will and the court appoints and administrator is the one who's responsible for figuring out what you have and what you owe. And there is certain procedures depending on the state with money that can be paid out to like a surviving spouse or something like that, that comes before any debts that than a state would have. And then after that, the responsibility of the executor is to settle up debts than in a state has.

2 (22m 7s):

And then the money that is left. After that, I pay to the heirs But that vehicle, if there is no assets to be divvied up that vehicle loan or lease does not pass as an obligation to any family member. And so you don't have to worry about that. And the car dealer took advantage of you by CRE creating that very dark scenario that you would be stuck with it after, or your family would be stuck with it after you were to pass away. Krista,

3 (22m 42s):

Speaking of stuck with it, this is from David in Ohio. I'm having a problem canceling my home security account. So I called them last may to cancel my service. Soon after my control panel was dark. So I assume the account was closed. Then in January of this year, my control box it's this month, my control box came back on. The company said that they never received the DocuSign form, which they said they emailed to me. I never saw the email they have now sent me another DocuSign email. My problem is if I sign now, I may be jeopardizing my claim that my service should have been stopped in may. On top of this, my account was on autopay and I didn't notice until now I contacted my credit card company and had them dispute the charges, talking with a customer in a service.

3 (23m 26s):

All they're offering is to send me a new DocuSign form and no recognition of the past fees sent while my control box was blank. Do you have any recommendations?

2 (23m 38s):

Okay. What world? Okay. So the burglar alarm industry to not make it clear with a lot of players, which side of the law they're on, it's an industry that has had very honest, legitimate people in it. And a lot of dirty, dirty rotten scoundrels. I think about over the years, how many complaints and problems we've had with the burglar alarm industry rule number one, never, never, never, not ever sign a contract for monitoring. Let me repeat that. When should you never do it?

2 (24m 19s):

Never, never, never, not ever. There are a lot of people in it who just play dirty pool now, as for you not having had the service for those months and they were continuing to bill you is you very readily acknowledged that's on you, that you didn't notice they were still charging you. So what I think would be reasonable is that they give you the next seven months free of service since they charged you for something you weren't getting. And then you terminate it at the end of those seven months, because you paid for seven months of service, you did not get.

2 (25m 3s):

And that is unacceptable. As far as the burglar alarm company in your state, there may be a licensing board for a burglar alarm companies. In many cases, they have to have a license and there is a disciplinary board I would check to see in your state if they do have to be registered and licensed. And if they do that, you file a complaint requesting assistance. Nobody ever does this. And it may in fact, get you a reasonable resolution

with a burglar alarm company.

2 (25m 43s):

Otherwise this is just an unfortunate circumstance with an industry that pretends they are the good guys, but frequently are nothing but dirty. Rotten scoundrels, as I have referred to them. Am I trying to get it clear that you should be very careful any time you ever sign up with a burglar alarm company? And by the way, it's going to be an opportunity to say again, we have a video at Clark dot com of MI with a very upsetting to Krista. Was it you who called my hair a lot of times and the summer wild man, Magoo, Magoo. But something here.

2 (26m 23s):

What, how do you say that phrase? I forgot. I don't know. Whatever I did complain about the hair did complain about it. Yeah they are. But I installed my own self-install burglar alarm and it's been great. And the monthly monitoring is \$8 a month and it's worked out just fine. You don't have to have a professional burglar alarm company anymore because there were all of these very simple to install systems like a jolt installed simply safe eight years ago or whatever. And he's quite a while, a couple of times and moved the system.

4 (27m 3s):

I don't have it any more. I don't use any home security monitoring any more. But

2 (27m 9s):

Do you have your home address where to go hit?

4 (27m 13s):

No, but it worked out great when I set it up and it was super easy to set up.

2 (27m 16s):

And so do you feel that safe in your neighborhood now, Joel, that you don't have a burglar alarm anymore? Yeah, I don't,

4 (27m 22s):

I don't know. It just, I think To, my wife says that I am not safety conscious enough, so maybe that's just a me problem and not a how safe my neighborhood is, but my neighborhood feels pretty safe.

2 (27m 33s):

Okay. Joel, you've been married a good long while, but I'm going to give you some marital advice in case you pipe. And if you wish, if your wife has said she doesn't feel safe, put in one of these self-install burglar alarms for her.

4 (27m 48s):

Okay. All right. So you, you know what we've got, we've actually got these little things that you stick to the door and it's battery powered and its, it makes a really loud noise if we will turn it on at night when we go to bed. So if someone were to try to breach the door, then we would hear it. If it came up and open, if it's not supposed to be open and that's kind of, what are we settled at? No monitoring, it would wake us up. But yeah, you're right. It's gotten so cheap. Maybe we, maybe I should jump on that.

2 (28m 14s):

Okay. I, I do a good job with a guilt thing.

4 (28m 17s):

He did a great job. My wife. Thanks. You

2 (28m 20s):

Chris. Are you just smiling through all now? I mean, I think, you know, I think whatever a Emily would like she should have

4 (28m 29s):

That's all. So I agreed.

2 (28m 31s):

Okay. Joel said it. Lets see if you actually mean it. All right. I'll let you know. I wanted to tell you that we love so much for having you as part of our day on our Podcast. And if you have found your way here, we'd love for you to subscribe a review. US if you'd like and no that if you need more advice, we provide free off the show. Advice, something we've done since 1993 and you can call a Monday through Thursday, the phone number to call for a free off the show advice for seven zero two eight four seven one three seven.

2 (29m 13s):

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