

0 (0s):

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2 (40s):

It's great to have you here on the Clark Howard show. You know, our mission, our goal is to empower you. So you make better financial decisions in your life. And I want to thank you so much for listening. I hope you'll subscribe. If you like what you are here on today's episode, I've got some hopeful news to share with you about the economy. But before we get to that, I know it's many listeners, favorite segment all week is called Clark Stinks. It's where you get to air your grievances about me and demand, but I explain myself, so let's go.

1 (1m 20s):

I should've never been encouraged to, to speak in which to think I'm pretty stupid. You shouldn't be ashamed of yourself. Well, maybe I'm wrong. Maybe I'm wrong. Maybe you're right.

2 (1m 38s):

I'm a new listener. Clark and I really like your podcast. You talked about avoiding using food delivery services, like grub hub and door dash, and instead calling the restaurant directly. However, this doesn't always cut out the middleman. You should talk about how to make sure to call the restaurant directly as often the phone number listed for the restaurant. It's actually a grub hub or DoorDash number. Thank you. That is Jason. Sorry, Jason, thank you for that suggestion. And that is something that I neglected to mention that the key is to make sure that the restaurant gets a hundred percent of the money you're paying.

2 (2m 19s):

Instead of having a lot of it diverted to one of these food apps that I mean you will lose. And the restaurant loses with these food apps. So helping the restaurant stay in business and doing business with them directly is what I'm really trying to encourage you to do. Joel Clark you stink. Amazon is not a money waster. I order from Amazon and my stuff comes the next day. Thanks, Briggs. Okay. That's so funny. Briggs. I am in the midst of something I ordered from Amazon that day after day, I keep getting these notices, sorry, your delivery is delayed.

2 (3m 4s):

Let's see what it's saying right now. Now expect it. Today is the latest, which is what it said yesterday and what it said the day before. And so the message is, we're very sorry. You're delivery is late. If you have not received your package, you can come back here the next day for a refund or replacement. So that message keeps posting day after day. And it shows when I go to updates that the package ended up about 10 miles

from me sitting at a facility five days ago and still is sitting at that facility five days later that I think is an unusual experience with Amazon.

2 (3m 50s):

So Christa is a big time Amazonian. Since you have Amazon delivered to your house, five or six times a day now, what do you do in a situation like that? I know it's all your husband's fault.

3 (4m 4s):

It is. I have to tell, I have to call him out the other day. I received something from Walmart and he was like, I didn't. And it was like one of those ones where they actually delivered it to the door. They had a delivery person. He was like, I didn't know, Walmart did that. Or you could order online from Walmart. I was like, Oh my gosh. That's because you only look at Amazon. But yeah, I mean, I haven't come across that, but I would use usually their online chat is pretty good. And that's what I always use

2 (4m 32s):

Online chat. I don't see that. Okay. You can tell me later, but anyway, Amazon is generally reliable, not always the cheapest, but in this case they had an item I couldn't find elsewhere. And it seems I still can't get it even from them. Okay. Christa what you got.

3 (4m 56s):

Okay. And normally admire, admire the advice you give. But this time you eagerly stepped in it and then tracked it all through the house. On January 11th, a caller asked you how to make a budget on an irregular income. I saw this as an underhand pitch, but was shocked that you seem stumped by the question and then proceeded to give a poor explanation of a Hill and Valley account budgeting on an irregular income is based off the estimated lowest monthly income than listing expenditures in order of importance. And then go down the list until the money runs out. And that was from Barrett. But I did have several Clark Stinks come in about that call.

2 (5m 36s):

I appreciate that. Were there any suggestions that were also other ideas besides the one Barrett made that you think are useful to share or were they all very similar? Okay. I appreciate that because that's an area budgeting. I've always had difficulty with, with people with irregular income and is a very good suggestion from Barrett and other people that you take your lowest expected, monthly income and base your budget on that. That is obviously very logical Joel

4 (6m 11s):

All right. And not really a Stinks maybe a blowing off posts. I wonder why Clark never addresses. Pre-paying a fixed rate mortgage, especially with savings rates at an all time low. I'm sure a good number of people are thinking about this in all these years. How come no one brings this up and Clark don't you think this is worth

addressing. Hopefully you'll remedy this and help all those who were in a dilemma regarding what decision they should make in this regard, a longtime listener and fan Jeff.

2 (6m 37s):

Jeff, thank you. And actually we do get a lot of people asking questions about whether they should prepay on the balance of a mortgage prepay principal and sew. It is a decision tree based on what other debts you have. And what use is you have for money, you have available. So I don't want someone to destroy all their rainy day money, but if you have enough money in there and you're earning basically nothing on your savings, what you're paying on your mortgage, if you don't have other debts is obviously going to be a higher interest rate than what you are earning on your savings. Using money to extinguish a balance on your mortgage, reduce the balance on your mortgage would be an effective use of funds.

2 (7m 23s):

As long as you don't put yourself in a position where you have no money for an unexpected expense, Christa

3 (7m 32s):

Clark, I've watched you and listened to you for a number of years. It's frustrating when you use vague terms that are basically meaningless. You've done it a lot of times, maybe even a whole lot. It seems like you do it every episode, but it may be only a handful or a fraction or a percentage of them. I can't believe a guy who counts his pennies so carefully does not choose his words as carefully. I really do appreciate your advice and I love your podcast. I gladly rate it a number of stars, Jeff in Arizona.

2 (8m 7s):

Thank you, Jeff. In Arizona. I don't know what to say. If I waste a lot of useless verbiage while I speak. I apologize. I don't know that that's something that I do, but if it is something I do, it's probably a habit that after all this time, I'll have a hard time breaking

4 (8m 32s):

Joel all right, Reverend Clark thank you for preaching. Penny pinching from your Podcast pulpit. It's time to practice what you preach though. You talk about the credit card roulette. You pay with gas and travel and your cash back every six months card. As much as you cling to the idea of delayed gratification, the fidelity card puts 2% into your IRA or your kid's five 29 plan compound interest

3 (8m 56s):

Combined with delayed gratification and not having to do the credit card shuffle. What's not to love

2 (9m 2s):

True. True. The fidelity card is one that needs more love in the market place. I love what fidelity investments has done. And it's something that is burned me for years that Charles Schwab copied fidelity then decided,

Hey, this is costing us too much money and in Schwab bailed, but the idea of having a 2% cash back card, that what happens with the 2% is it's then money that you invest for your future is a fantastic double benefit. If you have an account with fidelity investments, I highly recommend there are 2% cash back credit card and go for it is mentioned five 29 account investment account or Roth IRA as it can go traditional as well.

2 (9m 52s):

But, you know, I love the raw, but that is a great, great, great thing to use a credit card for is to build your future financial security and I thing to say about a credit card Christa

3 (10m 6s):

David wrote to him and said, I'm an ICU doctor. You said you weren't going out until 14 days after the second COVID vaccine, the original trial studied outcomes starting at seven days after the second vaccine. And you had an approximate li eight and 18,000 chance of getting infected in the following several months.

2 (10m 27s):

Well, I am, I'm sticking to the, the 14 day thing because my wife who is not getting vaccinated, as soon as I am, is really worried about the risk of Corona virus to her. And she's worried that the second I've got that second shot, that I'm going to think I'm not Clark Howard, but that I'm Clark Kent that I'm Superman. And that I am going to be invincible enable to leap tall buildings in a single bound and that, okay.

3 (11m 1s):

Is there an entire warehouse club in, in, in less than five minutes? Yeah,

2 (11m 6s):

It does. Actually, if your, I mean, it's more fun to spend more time in a warehouse club. Anyway, then the second I got that second shot that I'm going to be out there doing everything. And she has requested that I wait until the full effectiveness of the shot is in place. And I am respecting the wishes of my wife and going to follow that, even though I've seen the statistics from Israel that find that even after the first vaccination, there's a greatly reduced chance of coming down ill with Corona virus, I'm in a play out the string.

2 (11m 48s):

And after I got my second shot, I'm going to have a 14 day countdown on my phone and then look out Costco, look at Sam's club, look out all The I am coming in.

4 (12m 6s):

It sounds about right. All right, lets get to another one here. Clark a lot of people comment on this. Whenever you bring up the minimum wage, there's all these people that want to weigh in. Here's the one from Mike, he says Clark wants the minimum wage is to be raised to \$15 an hour or the equivalent of \$30,000 per year. It costs a lot more to live in, say Manhattan than it does in little rock Arkansas. So why not live it to each state

rather than creating a one size fits all minimum wage.

2 (12m 34s):

That is a very valid point. And I've been thinking about that since that came up on Clark Stinks two weeks ago and there are definitely differences. And so an idea that has been floated around is that we have a base minimum wage and then an urban minimum wage, but it is an alternative. You do it state by state and that's effectively what's been happening over the last 10 years is that States anytime has been put to citizens. Citizens have always voted to raise the minimum wage in their state. And so the minimum wage is definitely going up in a different amounts in different places and maybe the whole idea of federalism, let that be done by the States rather than the feds is an adequate response to what has been an inadequate minimum wage in many locations.

2 (13m 33s):

Well, I appreciate your posts on Clark Stinks I needed a little more anger today. We didn't have any anger. We had people being, being just so gentle and kind in their posts and usually I'm used to more passion and more fierceness on it. So if you really feel like you need to really punch me hard, I feel free to do so. If you want to be a kinder board gentler Clark Stinks well goat for that as well. And if you do have something you want to post go to Clark dot com slash Clark Stinks and coming up.

2 (14m 18s):

How about some hopeful news on the economy

0 (14m 23s):

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, 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 at bank of America com slash More rewarding copyright 2020 bank of America corporation.

2 (14m 58s):

The economy has been the most confusing of any economic circumstance of my adult life. I was in college during a recession and recessions are part of a normal economic cycle. Up, down, up, down, up down is what happens with a free market economy. It just, the economy we're in right now is so confused because there are people who were doing better financially than they've ever done. A significant portion of Americans are doing better financially than ever before. At the same time, roughly a quarter of Americans are facing significant hardship, some extreme hardship with hunger, being a problem, their children not having enough food to eat.

2 (15m 53s):

I mean, this is such a split affect the economy, the likes we've never seen that I can recall. And so is Congress to Bates the next stimulus law. There's been a lot of conversation about putting out more stimulus money to individuals and to families, but there's a new report from the federal reserve. The federal, the, the New York fed, which is The like the junior federal reserve on what people have actually done with the prior stimulus money.

2 (16m 34s):

And so you've got the people who've received it. 25% of people who've received it desperately needed the money that they were at financial disaster points. And that money was an important lifeline. Then you've got 70% of people, 75% of people who actually didn't need the money. It was like money just falling out of the sky so much so that a meaningful percent just donated their money to charity more than a third saved the money because they had no use for it.

2 (17m 18s):

And more than a third use the money to pay down debts they had, but voluntarily not that they were struggling financially. And it's the nature of this particular event economically, which was based on a pandemic, not on a normal economic cycle. So I want to tell you that the particular nature of this economic event means that when we get enough shots in people's arms, arms through the spring, and we, you start seeing the semblance of normal life resuming that it will be a gradual thing.

2 (18m 5s):

The Corona virus pandemic, isn't just going to go poof all in one day, but it will lead to a step, the opening up. And there is a, a lot of pent up demand in the market place to do things that people haven't been able to do to go to concerts, to go do something so simple, go sit in a restaurant. Yeah. And have a meal, go to a bar, go travel by airplane, go to foreign lands. There's all this pent up demand. And cause a lot of people received money from the feds they didn't need.

2 (18m 46s):

And a lot of people on the top 25% of income earners have been spending substantially less money than historically they have. There's a big, you have money in certain segments of the population and a big desire to go out and do things again. And as a result, as the economy opens up in DC, I will start doing things they've not been doing. The economic recovery is going to be amazingly strong. You know, as I said, when this was unfolding 10 months ago, this was a unique economic event.

2 (19m 30s):

And our nation's modern history. If the economy was fine going in to the pandemic and there will be dislocations from the pandemic. And unfortunately that is what's happened. A lot of entrepreneurs have seen their dreams crushed their businesses to model well, and there will be other affects from it. There's been the tragic loss of life of we're approaching half a million Americans have lost their lives or people that are gonna

be in the long haulers that have ongoing symptoms, Corona virus.

2 (20m 10s):

But the overall effect is going to be a very strong recovery that will unfold over a number of months, starting in the second half of this year. And the job difficulties that people have faced, those will be overcome starting largely in the second half of this year. And the opportunity for entrepreneurs to start their own business is going to be fantastic. Stick just the raw amount of vacant in commercial settings, retail restaurant, it's going to create the seeds of the birth of many, many new businesses is entrepreneurs who have taken it on the chin.

2 (21m 6s):

New waves of entrepreneurs will be able to get going again. And again, this isn't like you go into a room at night and you pop on a light switch and then that room is bright. This is going to be a more gradual thing and will only realize in the rear view mirror that thank goodness the darkness of Corona virus is over it's time for your questions that you posted for me at Clark dot com slash ask. And Christa what you got.

3 (21m 40s):

Clark Shawn in North Carolina says, yo Clark I love your work. I'm currently driving my car until it comes close to dying is holding up so far. But I'm starting to think about my next car purchase, but I know you love your Tesla. And I hear you talk about it often. I know my next car will either be hybrid or electric. How do you feel about use Teslas? Would you buy one and where would your top choices be to purchase?

2 (22m 6s):

So the thing with electric vehicles is it has been Tesla and pretty much everything else that nobody's paid attention too. And this is the year that starts changing because auto makers are really getting their act together on competing with Tesla. And that's going to put price pressures on Tesla pricing as well as the battery costs, keep going down and down and down. The longer that you procrastinate, the better the price is you are going to find on new electric vehicles and used ones with a Tesla, depending on what year are you to look at buying used?

2 (22m 48s):

You may or may not feel you're giving up too much going used if you're really into vehicle driving automation, what Tesla calls full self-driving, but isn't really truly full self-driving. If you really want the vehicle to do a lot of the driving for you, then the newest Tesla you can afford is the one you want. If just the enjoyment of driving a Tesla, which there's so much fun to drive is what you're really about. Then buying one that's got some years on, it would be absolutely fine. And we'd get you pretty much the whole experience of having a Tesla except for the driving automation.

2 (23m 37s):

And Christa is a Tesla driver, new to Tesla. What percent of the miles you drive or are you driving FSD and what percent are you driving the vehicle?

3 (23m 50s):

It's probably, it's probably like 75% me driving, but when I'm on the road trip, I'm always putting it on whenever I'm on the highway.

2 (24m 3s):

So the Tesla that I have is in theory, supposed to be able to drive on city streets by itself, recognize stop signs, recognize red lights, all that. I find that it's still a work in progress, but when I'm on the freeway, even around town, it is absolutely fantastic at driving and drives much better than I can,

3 (24m 30s):

But you don't need to pay attention for sure. Because once in a while, it will catch you by surprise. What have you had happened to you? This one Richard Paul was on, on this particular highway. Like there would be left-hand turns that went off of the highway, like for you to turn. And it, it kept thinking that it was supposed to go that way, even though it was supposed to stay on the highway and it was like, and then it makes horrible noises at you if you, you know, if you correct it or whatever. So I just correct and take it out every time. But little things like that.

2 (24m 58s):

Oh, even on a, even on a highway, you would not call it true full self-driving when you say

3 (25m 4s):

You always have to pay attention, but I love doing it. I love it.

2 (25m 8s):

Yeah. So really that is the deciding features to me with a Tesla is how important that self drive is. If that's not a high priority for you then going back model years is a O K Joel.

4 (25m 26s):

Let's keep talking about electric vehicles for a second. And Winnie in Virginia says I have a 2012 Nissan leaf and the battery has been degrading pretty badly. I went to the dealership and it's going to cost \$8,000 for the battery and then an additional \$1,300 for the labor to put it in. So should I change out the battery? And is there another

2 (25m 44s):

Company? Okay.

4 (25m 47s):

Is there another company you can do it cheaper or should she just get another car

2 (25m 50s):

Christa Joel and I all have experience with Nissan Leafs. And if you have an older leaf, it's basically something you dispose of that Nissan put in battery systems that were defective in those Leafs did not stand behind them as they should have. And so you just drive a leaf till it's done, but absolutely do not spend the money to put in a new battery pack because Nissan let you down. Christa you had to follow

3 (26m 24s):

One more. Donna in Massachusetts says, hi, Clark good news. I just wanted to let you know that target has the large tube tube of AME toothpaste with a 20% more bonus in the tube on sale for 89 cents. Your welcome,

2 (26m 41s):

You didn't hear that segment is about Kate. My dental hygienist, really pushing me to use this incredibly expensive toothpaste called paradon tax, I think is what it's called. And it's, I mean, it's a fortune and I've been using aim, which I buy for a typically between 88 cents and a buck for a 5.5 ounce tube. And so I reached a compromise with Kate that I use the paradigm tacks in the evening and use aim in the morning because she said it the most important than it will be used in the evening.

2 (27m 27s):

And so I have teeth that are like worth their weight. And gosh, what's more valuable than gold platinum using that paradine tax. I mean, you might as well think of your teeth as being worth platinum money. So the aim works great and it costs like nothing. And thank you for the deal and thank you for joining us on today's podcast. And I want to tell you that any time you enjoy a podcast, I want to have you give me the feedback, but more important.

2 (28m 8s):

I want you to give me feedback like you did earlier with Clark Stinks when you feel that something you heard me say was uncool wrong incomplete or whatever it is, where you feel I could benefit from your knowledge, please go to Clark dot com slash Clark Stinks.