

0 (0s):

This podcast is sponsored by visible wireless service phone service should be simple and visible makes that happen. One plan with more of what you want and less of what you don't powered by Verizon with no surprise fees or annual contracts. Simple, right? And with party pay sharing, the savings is just as simple. Create a party invite as many strangers friends or relatives as you want. What's the cost of service. Go down legit unlimited data messages and minutes can be yours for \$25 a month. When you join with a group of four or more, learn more@visible.com forward slash plan forward slash party hyphen pay that's V I S I B L e.com forward slash plan forward slash party hyphen pay, spread the word, share the savings with party pay by visible terms apply

1 (58s):

<inaudible> I'm so glad you're with us on the Clark Howard show our mission to serve and empower you. So you make better financial decisions in your life. On today's episode, I'm excited to talk about a new way for you to invest, and it doesn't involve buying stocks from some Reddit board. Also there's a new charge appearing on bills all over the place. I'll tell you what to look out for. So lately all of the buzz has been about well, Bitcoin and other cryptocurrencies Bitcoin recently topped \$50,000 a Bitcoin and people who've been buying the stocks that are being touted on Reddit.

1 (1m 51s):

And it was all of that mess that went on with a game stop and other stocks that went up like rocket's and then like rockets can do crash back down to earth. And my son is in this investing group and at school he's 15 and they're investing not real money, but they all have their stock portfolios. And I want to read you two texts from him from this morning. They're really funny. You said, and the last 19 minutes, my stock portfolio was dropped by six to 60.

1 (2m 33s):

Then he texts me eight minutes later. And then he said, and then it went up by \$800. And I, the other night, when he was trapped in the car with me and I started boring and I'm trying to talk about how my philosophy's and investing work very differently than that worrying about day trading and options and all of that. And what's going to happen up to the minute. And if you thought a father could be more irrelevant to his son than I was at that minute, you, you couldn't be. And he had no interest in anything I was saying, because to him, this is sport.

1 (3m 18s):

And that's what investing has been of late. What people call investing is really speculating. And that's not my thing. I mean, I'm the dullest person alive. And I invest in a doll way because the idea is I want to make money over time. And so that's why I get excited about really accessible investing opportunities for small investors that allow you to build reasonable wealth over time. Instead of trying to get the quick score and my sons, a sharp kid, he'll eventually get it.

1 (3m 59s):

And we'll not think that it matters what you're buying and selling minute by minute. And by the way, he's asked me if he can have a real investing account. And I said, well, you know, you'd have to have what's called a custodial and said, yeah, yeah. Where, where you were the pretend owner, but I'm the one doing the investing. And I don't know what to do. We, you know, give them a couple, a hundred dollars and let him play and maybe learn the value of long-term investing. But you know, at 15, what is the long term? That's like three days from now, this is hard to explain a concept where you build wealth over time.

1 (4m 45s):

Well, do you know, Goldman Sachs is Goldman. Sachs is for rich people like Krista people with massive amounts of money who work with a personal financial manager who handles their money for them. That it's right. Krista. That's what you do with your millions. No, no. Okay. So there are, there are a very wealthy people. That's what they do. And Goldman Sachs has been doing some stuff lately that doesn't fit at all their historical pedigree.

1 (5m 25s):

They're the ones that issue the Apple card for people that have the Apple credit card and they have a savings accounts and all that kind of thing with no minimums. Well now they've launched something called Marcus Invest, which allows people to use Goldman Sachs incredible financial analysis, investment analysis to build a robo investing portfolios for you using very low cost funds. And this is something you would ask somebody 10 years ago, if Goldman Sachs would ever be looking to provide investments and investment advice to everyday ordinary people, they'd say you're crazy.

1 (6m 14s):

That will never happen. Well, they're not doing what fidelity investments does, where a dollar is enough to open an account. Or in many cases, Schwab a a hundred dollars. They're doing what Vanguard does. You have to have a thousand bucks to open an account, but once you have that thousand, you can get advice that is tailored to your personal financial goals and outlook. The money can be in a retirement account or an investment account that you use. What are known is exchange, traded funds, ETFs, and typically for the advice and the investments you pay roughly a third of a percent per year for them to handle your money.

1 (7m 3s):

So I guess \$10,000, that'd be 35 bucks a year. Is that right? I think that's about right. A \$3 50 cents on a thousand, I think that's right. So this is an opportunity for you to do investing through one of the nation's big boys. You know, what are the big money houses and their whole business plan is pretty similar to what you'd have. If you were with a Betterment or Wealthfront that really started this whole investing idea. And I'm sure neither of them are very happy that Goldman Sachs through Marcus Invest is playing in their ballpark.

1 (7m 50s):

You can see how it works. And other things that Marcus offers to small savers and investors at Marcus, M a R C U s.com, Krista

2 (8m 1s):

Clark, Judy and Connecticut says I'm new to your podcasts and fall asleep, listening, nightly and wake up smarter every day. My question is, I have to call you that's true.

1 (8m 13s):

It's proof. You don't need a sleeping pill and you don't need melatonin. You just listened to me and you go straight off to sleep.

2 (8m 23s):

So Judy has two college kids that use their debit cards online. After listening to your podcast, they need to get a credit card ASAP to protect their accounts. What's a good first credit card for this purpose. And to start credit history, they would pay in full each month. Of course, is there a prepaid card or low credit limit card that you recommend to prevent potential overzealous buying?

1 (8m 47s):

Okay, so wonderful. Cause you got two competing issues. They're one is you don't want your college children too. Once they have a credit card run, I'm all the way up to whatever limit they get and get into credit card debt. And that is a potential problem. The other potential problem is if you shop online with a debit card is you heard me talk about the risk is you have no consumer protections. If the goods are misrepresented or never deliver, which you do have those protections with a credit card. So there are a number of college student credit cards issued by credit unions, the major credit card issuers, American express, they all offer a college student.

1 (9m 37s):

Cards discover may be though my favorite, because if you get a discover card, it helps you establish major Credit, but DiscoverE is not as widely accepted. So it means that even if they do get a decent limit from discover, there are not as likely to be able to get into trouble as much as they could with a visa or MasterCard. So discovers student card program is quite large discover, does it try to get in people's wallets when they're teenagers or 20 somethings and hope they stay loyal to discover over the years. And you'll just have to have a discussion with your kids about the thing that a woman is not a Greenlight to spend a limit is truly they are as the max that should ever be on a card, but only if you can afford to pay it in full.

1 (10m 29s):

When the bill comes,

2 (10m 32s):

Cindy in Wisconsin says our April, 2020 trip to Ireland was canceled due to COVID restrictions. The airline issued us a voucher for future travel for about \$2,500, which is good for five years. Even if travel is opened up with a vaccine requirements, most in our group, won't be vaccinated. We aren't sure if we will ever be able to use the voucher. Is there anything else we can do to recoup our costs such as a refund or selling the voucher?

1 (11m 1s):

So I'm confused and Krista I'm a need for you to read another part of this to me again from Cindy's question. So it was a group trip. She received Credit for \$5,000

2 (11m 17s):

As well for 2,500 2,500

1 (11m 20s):

Twice. Right? So what prevents her from going on a trip? Not with the people who don't want to get vaccinated.

2 (11m 30s):

I think its that they wanted to go on this group trip together.

1 (11m 34s):

So if you, if you have friends who are opposed to the vaccine and you are making a decision that you don't want to travel, if they're not going to get vaccinated, a couple of things, there's more and more information that you may be okay. Going, even with people who are not vaccinated, that you will have sufficient protection, even if they expose you to Corona virus, if you mean, because they won't get vaccinated, they're not going to go on the trip. Then if it's possible, I would say you should just go on a trip.

1 (12m 17s):

The two of you somewhere using the value of the money and the friends who don't want to get vaccinated, they just don't get the fine that you get to have going on the trip. And the voucher is good for five years and people are, we are going to do a special podcast on travel, opening back up and the decisions that you should make about taking a trip and we'll deal with it. And other issues involving travel when we do that special Podcast. So I recently went to a dentist and that was a new charge on my bill. I'm going to tell you about it in what you need to look for when you go to the dentist or the doctor.

0 (13m 3s):

This episode is brought to you by progressive saving money on your car. Insurance is easy with progressive. It's an average savings of over \$750 for customers who switch and Save in fact, customers can qualify for an average of six discounts on the auto policy with progressive including discounts, just for starting a quote

online or having multiple vehicles on their policy. Get your quote online@progressive.com and see how much you could be saving national annual average auto insurance savings by new customers surveyed in 2019 potential savings will vary discounts, vary and are not available in all States and situations.

1 (13m 45s):

When I go to the dentist, now I pay an additional fee for PPE and when I'm at the dentist, I can tell you, I feel extra safe when I'm in the chair. Because even though I'm going to get tortured by all those instruments that are like something probably a resurrected from the middle ages. No, actually I go because I want to make sure my teeth and gums stay healthy, but it's not always the most comfortable thing and the world, but the dentist has this special hood that she had welded for her by a master welder, which allows her to protect herself and protect patients as much as possible.

1 (14m 34s):

My hygienist wears all kinds of safety gear and they've had a lot of expenses that they've had to incur. And so I would rather them make the environment as safe move for me is possible and I'm to pay those fees. But a lot of times you're going to the businesses that have nothing to do with medical or dental. And they now have Corona virus, surcharges, fees, whatever you might find it at any of a number of businesses, including places women go to for a beauty treatments, a hair and nails, whatever.

1 (15m 18s):

And so it is a really, really tough thing for these businesses because they want you to come in and they want you to feel confident. And there is an expense for them with that in some States it's not even legal to add these surcharges and others. There's a way the law is silent on it. And it's very, very common that people are being hit with these fees. My thing always with fees is full disclosure ahead of time. And when you make an appointment somewhere, they should disclose to you that in addition to the normal costs, there's a, a P PPE charge a fee or that there is a special procedures they do for coronavirus.

1 (16m 14s):

And there's an additional service fee of X dollars. As long as they tell me up front, I'm okay with it. But when somebody doesn't tell me and I get hit with a surprise that I'm not happy with in the case of my dentist, I got an email that told me that they were until further notice I was going to pay this PPE charge. When I came in for an appointment, in addition to my normal dental bill. And I really appreciated it, that they told me that up front and in their case, they absolutely were doing what they were supposed to be doing.

1 (16m 59s):

There have been reports that customers are complaining more about PPE at the dentist than anywhere else. And don't you, I mean, think about it. There are right in your face. There is exchange of fluids that could happen all the time as they're taking their medieval torture devices and they're moving them around inside your mouth. And so I know that if you're not told before you go for a service, it's a great question to ask with

anything that involves close personal contact.

1 (17m 43s):

I know that it is really possible. You're going to be hit with such a fee Krista. Is that how you feel about all those implements? They use that the dentist.

2 (17m 54s):

Yeah. I actually have a dentist appointment today, so I don't know if she's going to have a welder's but I'm sure. So be cool. Yeah,

1 (18m 4s):

It's a really cool, so I asked the dentist where she got it. Well, one of our patients is a master welder and she told him what she was looking for. And so he welded it for her and it's fantastic. She has these special magnification things that she wears so that when she is doing something intricate in your mouth, she can really, really, really see it magnified. And he built this thing where The the plexiglass goes out and over specifically to fit those magnification thingies.

2 (18m 44s):

Nice. Well, I have a question from Lorain and California, that's kind of related. She went to a local urgent care for COVID tests and she says, I provided all my information online, including my very good PPO medical insurance, no one ever told me the urgent care was not in my network or that I could get a bill for the test. My appointment time was confirmed. The next day I received my test at a drive-through the text Schwab swab my nose while I was in my car. That was it. I got my results. Two days later, I received an explanation of benefits for a \$206 office visit \$20 specimen handling fee and \$20 for PPE. I now see another explanation of benefits pending for an a \$150 lab fee.

2 (19m 27s):

Why weren't these costs disclosed? Also I don't recall signing anything about financial responsibility. All the forms were online and now I don't have access to them. Where do I report these bad billing practices? I don't want someone else getting caught in this trap.

1 (19m 42s):

Okay. I'm a shallow breathing because I've heard this from too many people is you drive around town in many cities. You'll see COVID testing sites, no appointment necessary. Yesterday. I was on one road for like four miles. There were three different of these no appointment, necessary testing sites. Why are they so happy to see you? Because they're doing something that is apparently legal, but not at all ethical. So you're not allowed under the cares act to bill people for giving 'em a COVID test.

1 (20m 25s):

The feds have a procedure for reimbursement of that. And so there's no restriction on charging people, ancillary fees and no limits on those ancillary fees when you get a COVID test. So they can say that it's free, but then have all these other junk fees that insurance is going to say, we're not paying that car budget. And then you're the one who gets balanced. Bill odds are, and they must provide you disclosure of what you signed. Or you can go back and pretend you're signing up for one again and see the terms and conditions you'd be agreeing to.

1 (21m 6s):

So you'd know what it was. You did agree to. And the important thing you got to know, everybody's got to know is when you do get, go get a Corona virus test, you've got to read the terms and conditions upfront to know whether the test is really free or you're going to get hit with bill shock of often from a a hundred to \$500 for getting the Corona virus test.

2 (21m 34s):

Oh, in New York says, I'd like to know what percent you should look for on a trust fund account. I'm currently being charged 0.95%

1 (21m 44s):

0.95 is actually lower than normal for somebody handling a trust for you trusts often are about 1.2, 5% or so, and be higher than that. So 0.95 is in the realm of reasonable for a trust. There's a certain level of legal responsibility that somebody handling a trust has. And so particularly if a trust is smaller, the percent fees will be or what, what the fees will work out to be as a percent would be quite a bit higher than the 0.95.

1 (22m 26s):

So that is actually right in line, if not a little low for a fee for handling and managing a trust.

2 (22m 35s):

This is from Chris and Illinois, given the once in a lifetime opportunity to pull money out of a 401k penalty free, does it make sense to pull the money out and pay off the remainder of my mortgage? I have approximately \$60,000 left in my mortgage, which is a 4% interest and approximately \$60,000 in my 401k, my family has a good amount of school loans. At higher interest rate, we are working to pay off as well.

1 (23m 2s):

So you have to show that you've been economically harmed by Corona virus in order to be eligible for the penalty, free withdrawal from your 401k, but it doesn't exempt you from the tax. It only exempts you from the 10% federal penalty. My preference is that you leave your 401k. Be over time. Over the years, you are likely to out earn that 4% mortgage rate you have. And I'd rather you have that money there for your retirement. Cause even psychologically, it feels great to pay off your home, but you can't eat your house. You need money for living expenses and I'd the 401k continue to grow.

1 (23m 48s):

And that you pay the mortgage as a greed

2 (23m 51s):

And Garrett and Georgia says, do you have any advice on using Homeward to buy a house? Is this a good decision?

1 (23m 59s):

So Homeward is not necessarily a good decision or a bad decision. This is a program where you can identify and by your new home, before you have been able to sell your old home, that catch is you are paying fees to Homeward for doing this. And they actually own the home that you buy. They're the owner and you were paying them rent while you live in that property. And then only when your existing home sells and you are able to arrange your own mortgage.

1 (24m 40s):

Do you then end up as owner of your home? If you don't finance through their captive finance arm, you have fees that you have to pay to them for having arranged all of this for you. So it's designed that they are kind of like a weigh station landlord for you and a place holder for you until, and unless your existing property is sold. And then you are able to buy the new one. So you have to have a very narrow, specific situation where it's worth it to you to essentially own one home and be paying rent on another pending the sale of your original one, for that to make sense for you.

1 (25m 26s):

So again, not a rip off, but not the greatest deal out there. So I wanna thank you so much for being part of today's show and being part of team. Clark our community. If you need one-on-one advice, we provide that for free. We've done so for more than 28 years where you can talk with a member of team, Clark our consumer action center to see the hours and a phone number. You go to Clark dot com slash C a C, or if you're ready to write down the number right now, it's four, seven Oh two eight four seven one three seven.