

0 (6s):

Welcome to the Clark Howard show our mission to serve and empower you. So you make better financial decisions in your life. In today's episode, we're going to tell you about some great news for building homes that are affordable. I'm also going to talk about something we all hate except for the crux robo calls. So we are in a cycle in the United States where a housing affordability of rentals and Holmes you buy is really getting out a sight. The percent of American renters that have to spend half of their take home pay or more on their rent each month, is it all time record highs, the average price of a new home.

0 (59s):

We're going to say it all time, record high levels. And this really starts to create financial stress. One of the problems we've had is the building industry is very, very stuck in the past. Builders tend to build the way it's comfortable for them, the way they learned to build, and that's what they do. And the reality is we create real inefficiencies in how we typically build in the United States stick built onsite. And you have so many problems.

0 (1m 41s):

I mean, you talked to builders, this one didn't show up today that didn't show up today that contractor came, but only three of their five workers came. All of those inefficiencies building. In, in addition, it's hard to build a very, very tight home on a construction site because it's different than building in an enclosed environment. I've learned through the years, volunteering with habitat for humanity, how they're able to build homes with extremely low utility costs by actually building and not every habitat affiliate does this, but many of the busiest habitat affiliates have all converted to building highly efficient homes in warehouses, where you build the walls in the warehouse and then you truck, the walls interior and exterior to the build site and raise them there.

0 (2m 50s):

And then habitat affiliates tend to, to double insulation. The effect is that even in peak energy use times for heating or cooling, it's typically common for a four bedroom home of a habitat homeowner to have a monthly utility bill, a \$50 a month or Less, and it's stuff that doesn't cost any more to do. It's just building right from the start. Well, that's always been the beef from builders about building properties, either multifamily or individual houses to build them efficiently.

0 (3m 34s):

They say nobody will pay for them because there's so much more expensive to build, which is absolutely not true. The wall street journal did a profile on apartments that are being built in the country that are net zero or near net. Zero either have no energy bills or minimal energy bills that are being built at the same cost or less than traditionally built multifamily housing. There are architecture firms that designed from the blueprint up from the computer design forward to build buildings that are inexpensive to build and extremely efficient to live in.

0 (4m 24s):

It's a lack of imagination we've had in the country about this. Plus they're a local building codes that make it tough to build in the case of individual homes to build 3d printed homes that cut construction costs by half. And do you know that three D homes can have a look like a traditional site-built home? Is there a computer aided design is such that the homes have a much more conventional look than the first experimental ones.

0 (5m 7s):

Imagine if we were able to build housing, that's a very efficient from an energy standpoint, build it far quicker and do it at half the cost. You know, you don't have to imagine it it's like a science fiction thing or something that'll happen in 30 years, we can do this stuff today. It takes builders being willing to do it. I saw a story about one of these homes where they're built in one 10th, the time one 10th at a time of traditional stick built on-site homes and they can be ugly, but they don't have to be.

0 (5m 59s):

A lot of them are really good looking. It's really about the imagination of the architect when he or she designs one, because with 3d printing, the computer just spits out the building based on the plan that's been drawn. And it's the only way I'd ever build a house again, because I was building a house well, other than habitat, cause building a house is something I once was my own general contractor. Oh, what a mistake for me to be my own GC never happened again,

1 (6m 40s):

Krista. Okay. Clark, we'll start with this question from Anthony in North Carolina, he wants to know if he should purchase a used BMW and what are the steps that you know, you're getting to make sure your getting a great used vehicle

0 (6m 57s):

BMW's are very heavily a leased product and buying a three-year-old BMW. True. For most of the European labels three-year-old vehicle is a real sweet spot because through that first lease cycle, huge percent of the depreciation has already occurred. And so buying one is the second driver of it. Can't say owner, because first person lease is a really great strategy. You don't know how that first person drove it. You don't know what kind of condition the vehicle is in. So as with any use vehicle, but even more important buying a three-year-old BMW or other European luxury or near a luxury vehicle, you've gotta run a vent on it to, to know if the vehicle has been in an accident that was disclosed and you must have it inspected by a mechanic.

0 (7m 50s):

If your choosing, if your buying from a BMW dealers use vehicle lot or whatever, and they won't let you have it inspected is prior to purchase, you're done even shopping at that BMW dealer or any other dealer having that inspection done by a mechanic of your choosing is key with European brands. There tend to be

specialty independent repair shops that only work on that brand or maybe a brand or two. Those are the kind of places you want to have an evaluation done to make sure that the vehicle is okay. And I'll share a story about a Mercedes convertible that my wife bought a good while ago.

0 (8m 33s):

She wanted a Used Mercedes convertible, a rare find called a CLK five 50 and knew they were a lot of money. She wanted a used one. We looked at so many of them in one after another, for whatever reason was not appropriate. We found one that she really liked had it inspected by an independent Mercedes repair shop. They got a great glowing report. She's now had that Mercedes 10 years, maybe 11 years, 10 or 11 years, it's been flawless. It's been a great purchase. So with any of these vehicles, you can't know the history, that's what the mechanics are for.

0 (9m 19s):

And that's how you make that good decision going forward.

1 (9m 23s):

Okay. Clark gene in North Carolina says is universal life insurance with a long-term care rider, a good product to purchase for a 30 year old single person. If so, which kind is better indexed, universal life variable, universal life or guaranteed universal life.

0 (9m 40s):

Okay. Are you trying to have me prematurely die right here on the mic? Right? This second universal life is a horrifically, awful terrible reprehensible, despicable, disgusting, excuse for a life insurance policy. Never, never, never, not ever under any circumstances at any time ever buy any form of a universal life insurance policy. If you want to know why there's really sad, ugly, horrific history involving universal life over the last 40 plus years where people have lost a fortune in them and ended up with giant tax bills.

0 (10m 31s):

All you'd have to do is do universal. Life rip off as a search term. And you'll find story after story, after story about how hideously atrocious this product is, okay, let's move on. Buying long-term care at 30 years old, you're roughly half the age. You should be considering buying a policy. We have no idea how that's going to work a lifetime away, really for you at 30, if you have a need for life insurance, by a very simple product called level term, Insurance you can buy a 30 year level term policy that will cover most of your working lifetime provide replacement of income for your survivors.

0 (11m 19s):

And that's the purpose of having life insurance is to provide for those you leave behind who depend on you for financial support as for buying anything other than that at 30 years old, other than level term, not a good idea. And so this is an inappropriate product for your age, but universal life insurance of all its flavors is

inappropriate at any age. And the reality is the type of insurance. I want you to buy level term insurance agents talk trash about because they don't even make enough money to put gas in there.

0 (12m 2s):

Car to come see you off commission selling you a good life Insurance so you need to look at our guide at Clark dot com on how to buy level term insurance. I want to tell you the coming up in today's podcast, if you are sick and tired of getting spam calls on your phone, know that you, along with 330, whatever million Americans feel the same way, I'm going to tell you what to do about it.

2 (12m 37s):

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 their 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.

0 (13m 18s):

I hate robo calls and it's amazing how many billions of them take place. And the reason people do them is because they work. It only takes a tiny percent of people to answer a robo call and then be conned by a crook to make it worth having all that phone technology and having the employees that they employ to con people to steal from people. The good news with robo calls is that I get very few in. You can get very few as well.

0 (13m 59s):

And the reason that I get very few is I have a double screening protection on my cell phone. First time with T mobile and they offer free robo call screening or a spam phone calls. Screening is part of having service with them. There are a similar kind of things from the other two Biggs. And then I also have you mail, which is a voicemail service. That's a freemium business model that has a free version of a paid version. And they do a real good job as well. It catching spam calls, although they missed one yesterday, it was really funny because I got the, the write-up, you know, they do a transcript and it was just really crazy.

0 (14m 49s):

The stories that the scamster is tell, trying to steal your money. And so this is just such a, a hassle not getting the calls, but when you have your money stolen and you feel so bad when you think it really is somebody from your bank or whatever it is, who's contacting you. And then, you know, my TV work, I just did a story about people who end up having money stolen from them with these phony Car warrantees. And these people are after your identity, the money you already have in an account, or getting money from you for a dubious or fake service, here are the ways that I prevent ever having to talk with a robo caller.

0 (15m 47s):

Even if something pops up on my caller ID is being from a business I do business with, I do not answer the call. I let it go to voicemail. If it's a legitimate call and it legitimate inquiry occurs that somebody's has left a message for me, I then can call them back, but I never call back at the number they leave, unless I know it is the number for that business. Otherwise, I look up the number and call back to see if there really is an issue that they need to discuss with me.

0 (16m 27s):

The only calls I answer are from people I know never from a business. Now I was having a software problem with my phone recently, where it was diverting a a hundred percent of my calls to voicemail. And Krista thought that I was avoiding her dead, but it wasn't. I got a software download to my phone and the problem went away. But for days, every single call that came in, I never saw it was diverted before my phone ever rang. And I actually, it was kind of cool that I was never disturbed by a phone call, but I'm not saying, although I would have loved to have had your calls Krista, I saw that look on your face.

0 (17m 17s):

I'm sorry. But the key is you are the best line of defense against a problem that no matter what software people throw at, it remains a problem. And that is robo calls. And it's the one thing I can tell you that is a truly bipartisan thing in the U S house. And the us Senate is to try to come up with legislation that might employ law enforcement tools and technology that get rid of these robo calls, but don't hold your breath. So the key is you can never get taken if you don't answer that call in the first place, Krista,

1 (18m 4s):

All right. Clark this is from anonymous. Take your calls. This is, Oh, I love by the way, my pixel phone as well, has that Google service, a nice screen people with that. It's awesome. It asks me if I want to screen them before.

0 (18m 19s):

Oh, let's explain what that is. So if you get a Google phone, it gives you three choices. When a call comes in, which say answer,

1 (18m 29s):

Yeah, it's a reject or a screen in the call. And if you screen it, it gives the person a message that says like this user is using a Google screening service, please state your name and why you're calling. And so then I see a transcript of it, or if they're really a spammer, they hang up.

0 (18m 44s):

So how many, how many pieces of swamp land if you bought from a robocall

1 (18m 50s):

Zero? Exactly. Okay. Now this is a, about another type of scam anonymous in Utah says I'm a middle school principal and the past three weeks to fake accounts using my picture from the school website and name have been created on Instagram. It to be clear, my accounts are not being hacked. These are false accounts created to imitate me. I do not use my real name on social media accounts because of my job. Then the accounts for inappropriate sites and posts, inappropriate videos and images. The images are not pictures of me, but are distasteful so far. I've been able to work with Instagram to remove each account. However, tracing the accounts to actual humans for a legal action is all but impossible.

1 (19m 33s):

The process is painful because I find viewing these fake accounts and the subsequent comments from former and current students disturbing and painful. I do not want to have to constantly research my name and do this. Can you recommend a reasonably, reasonably priced, reliable service that might help me find and remove these accounts on a regular basis? I'm afraid a current or future employer will see them and think they're mine. Thank you.

0 (19m 58s):

I am really, really, sorry. This is happening. This is somebody who thinks this is funny or has some kind of grudge. And that is just terrible. There is no easy way to deal with this. I mean, companies hire these services bit, do a reputational protection for their executives and they pay big money for it. There are some online services you'll find I'm not going to name any of them because I've not found that any of them have brought people Great satisfaction. Like you're looking for and monitoring what's happening with these fake accounts.

0 (20m 43s):

You, I assume have told officials with your, this is going on so they know it's not you. And it is just an unfortunate, modern curse. We talked recently on the podcast about people who were having all kinds of fake stuff, posted about them. That was showing up when employers were searching, potential employers were searching and things like that. And this is a terrible, terrible problem that does not yet have an industry solution. You have to just play the game of whack-a-mole that every time this person who has a grudge or a sixth sense of humor is setting up an account.

0 (21m 27s):

You have to do just what you've been doing with Instagram, almost like Groundhog day. You're the one who has to actively unfortunately do what you can to remove these accounts and do what you can to protect your own reputation.

1 (21m 43s):

This is from Jay in Maryland years ago, I had a credit score above seven 20 due to Life events. It fell below 500 in the past year. I've gotten it back to six 50 by paying debts and not news using new credit cards. I got a notification that an old phone company debt of roughly roughly \$400 has just been closed. One. I did not pay after investigation. I don't see anywhere to pay this debt and do not see a collection agency that owns it. What is the best course of action to make sure this doesn't negatively affect the progress? I am so proud of making within a year. I hope to put down a down payment on a house and rent rooms or fully rent out the house. Thank you for all you do. And look forward to applying more of your grade knowledge.

1 (22m 24s):

And if this makes the show shout out to my mom, Bonnie, who has been listening to you for years,

0 (22m 29s):

Hi, Bonnie, glad to have your son following your footsteps, listening to our show. And I'm really, really excited for you. What you've been able to accomplish with the debts is for this phone bill, I don't know the age of the phone bill. You've not said how long ago that phone bill may have been from, if it is old enough, it will not affect you anyway, if it is within seven years, particularly if it's within five years at some point relatively soon on your credit file, it will show up with an identifier for a collection agency that you'll then be, and be able to work with, to deal with this debt and a step-by-step you're getting there.

0 (23m 16s):

Your determination to get credit healthy again is so clear. You're absolutely going to be able to get there is for the property you buy. I'm a big fan of properties that have like a garage apartment with them or something like that, where you can both live at the property and have tenants. It is my favorite way for somebody to have a place to live and a property truly be an investment in your wallet.

1 (23m 50s):

John in Texas says, hi, Clark you talk about using back of the wallet credit cards once or twice a year to keep active in the credit mics. You also talk about the strategy of paying off a credit card bill before the statement, date to keep your credit utilization low. If you use a bank of the wallet card and pay it off before the statement bait date, will it still keep the card in your mix or will the zero balance mean there's nothing to report to the credit bureaus?

0 (24m 15s):

That is a great question. My understanding is the activity you've had during the month creates the activity that counts. But if you're using a card minimally, don't follow my, pay it off before the duty, before the closing date strategy. Anyway, if you're with the back of the wallet, doing like a small transaction, just to keep it active, there's no need for you to zero out the balance before the closing date and just pay it as a greed before the grace period ends. And what we're talking about here is higher math, doing what you can to give your credit score. A giant booster shot by paying before a balance would be reported.

0 (25m 0s):

And that's something that is a great strategy for people who are within months of buying a home. You can make a big impact on your credit score that then affects what mortgages you qualify for and what rates you'll have on a mortgage. By following this strategy, it requires really good concentration and good paperwork to get it done each and every month. And I want to thank you so much for being with us for this podcast of the Clark Howard show. We are here to serve you seven days a week, 24 hours a day at Clark dot com and Clark deals.com and think about subscribing to our newsletters.

0 (25m 47s):

If you want to learn more about money saving ideas for all of our incredible team of researchers and writers.