

# insights

EXCLUSIVELY FOR PRIMERICA CLIENTS



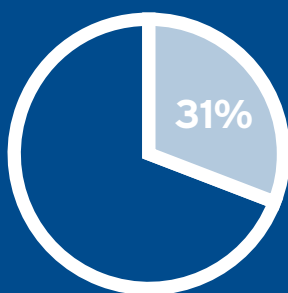
## Stop Worrying –

# Start Saving!

Richard Jerome  
(305)310-5517  
www.rjeromemultiservices.com

### Did you know?

31% of adults ages 25-54 say credit card debt keeps them from reaching their financial goals.



*Money*, July 2013

### INSIDE

- 5 Ways You Could be Hurting Your Finances
- Considering a Cash-Only Lifestyle?
- Put the Brakes on Car Insurance Costs

Are you lying awake at night, worrying about money? If so, you're not alone: 85% of respondents in a recent survey say they are losing sleep because of money fears.<sup>1</sup> Instead of worrying, take these steps to protect your financial future!

#### Start now.

**Every month or year that goes by without saving, your chances of becoming financially secure decrease.**

Time and compounding interest are your two best allies when it comes to growing money, so try not to waste them. Even if you're in debt, you're not making much money or you have a lot of expenses, you can still save something — even if it's a small amount.

**The longer you wait to save, the less time you have for compounding interest to work its magic!**

#### Put savings on autopilot.

**Do you routinely spend everything you bring in?** Then develop the saving habit slowly by arranging for an automatic transfer or direct

deposit of 5-10% from your checking to your savings account (when the money doesn't appear in your account, you are far less likely to spend it!)

#### Label your accounts.

**What do you want to save for?** An emergency fund? A vacation next summer? People who label their savings accounts with specific goals put away 31% more than those who don't.<sup>2</sup> Also, try using a picture as a reminder of what (or who) you are saving for.

#### Build your saving muscle over time.

**Saving gets easier as time goes by.**

Think of it as a muscle you have to work out and build with time and practice. You can gradually increase the amount you save over time. The important thing is that you stop worrying — and get started!

<sup>1</sup> "Learn to Stop Worrying – And Start Saving," Finance.Yahoo.com, August 2, 2013 <sup>2</sup> *Money*, July 2012

Richard Jerome  
(305)310-5517  
www.rjeromemultiservices.com



# 5 Ways

## You Could Be Hurting Your Finances

Are you really in control of your money? If you've fallen into any of these patterns, you could actually be hurting your financial status.

- 1 Having nothing saved at all.** If you routinely spend everything you bring in, start easing into a saving habit with an automatic transfer or direct deposit of 5-10% of your income to build an emergency fund.
- 2 Paying the minimum on your credit card balance.** You'll wind up paying more in interest and taking longer to pay off your debt. For example, it would take almost 10 years to pay off a \$1,000 credit card balance at 14% APR if you only paid the minimum.
- 3 Not having an emergency fund.** Without a cash "cushion," you're more likely to slide into debt at the first unplanned expense – such as car repairs, medical bills or a lost job.
- 4 Operating without a budget.** Not having a budget means you don't know what's going on with your money. You may not be sure how much you can really spend each-week, and you probably don't track what you do spend. Set aside 30 minutes to create a budget and reap the financial benefits.
- 5 Not having insurance.** Without insurance, you leave yourself and your family financially vulnerable. The added security of insurance leaves you feeling more in control of your life – and it could make all the difference for you and your family should tragedy strike.

### Did you know?

Many consumers who give up credit cards begin to pay closer attention to where their money is going and develop the discipline to spend less. The result? People who live on a cash basis end up saving around **20%** of their previous spending without feeling deprived.

*U.S. News and World Report, June 2, 2013*

### How much cash do you carry?



*Money, July 2013*

**Cost to raise a child born last year for 18 years, a 3% increase from the previous year. (Does not include college/university.)**

*CNNMoney.com, August 14, 2013*

**Percentage of respondents in a recent survey who said they are losing sleep because they're afraid their money will run out.**

*"Learn to Stop Worrying - And Start Saving," Finance.Yahoo.com, August 2, 2013*

# Considering a Cash-only Lifestyle?

For many people, letting go of credit is the best way to stay out of debt. If you are considering a credit card-free lifestyle, consider this roundup of the pros and cons of the three most popular payment methods.

Credit Cards	Debit cards	Cash
<p><b>Pros:</b> Highest level of fraud protection. Legally, credit card holders are responsible for no more than \$50 in unauthorized purchases, and many card issuers take full responsibility for unauthorized purchases.<sup>1</sup> Helpful for building good credit. Many have rewards programs.</p> <p><b>Cons:</b> Unless you are very financially disciplined, it can be tough to control and track your spending – especially if you are prone to impulse purchases.</p>	<p><b>Pros:</b> Since they are tied directly to your checking account, debit cards can make it easier to track and control spending (you are limited to your account balance).</p> <p><b>Cons:</b> If you report loss or theft of a debit card within two business days, you are liable for up to \$50; wait two days to report it, and you could lose up to \$500. After 60 days, you may be liable for the full amount.<sup>2</sup></p>	<p><b>Pros:</b> It's simple and easy to pay attention to where your money goes. Studies show that consumers spend 20% less when spending with cash vs. credit because they focus more on the cost of the item than the benefit.<sup>3</sup></p> <p><b>Cons:</b> May have trouble building a credit history if you go completely credit-free. Booking hotels and rental cars can be tricky, as many of these vendors prefer that you make reservations with a credit card. Note: Even paying for hotels with debit can be problematic, as vendors may put a “hold” on cash in your account (possibly a few hundred dollars) until the hold is lifted.</p>

**When considering a cash-only lifestyle, carefully weigh the pros and cons before taking the plunge.**

<sup>1</sup> Kiplinger's, August 2013 <sup>2</sup> Ibid <sup>3</sup> “Could You Live Without a Credit Card?” *U.S. News and World Report*, May 31, 2013

## Did you know?

Most of us aren't very truthful about how we spend our money, what our debt levels are and how much we really spend. According to a recent survey of financial services representatives, 65% say their clients lie about living within their means, 44% are dishonest about the amount of their debt, and 36% fib about financial risks they are taking.

“Learn to Stop Worrying – and Start Saving,” *Finance.Yahoo.com*, August 2, 2013

## Did you know?

The average cost of attending a wedding – including expenses like hotel costs, bachelor and bachelorette parties, child care, and party clothes – topped **\$539** in 2013, a **60%** increase from the previous year.

“Weddings Get Too Costly – for Guests,” *Finance.Yahoo.com*, August 4, 2013



Richard Jerome  
 (305)310-5517  
[www.rjeromemultiservices.com](http://www.rjeromemultiservices.com)

# Put the Brakes on Car Insurance Costs

Looking for a quick way to trim your bills? Follow these three steps and watch your bill shrink.

## Shop around before your policy runs out.

Did you know that costs for the same coverage can vary by hundreds of dollars between insurers? Ask your Primerica representative about Primerica Secure™, a referral service that does the shopping for you! The average client saves about \$466 a year on their auto insurance coverage through Primerica Secure!<sup>1</sup>

**Bundle plans.** If you are buying homeowners insurance from one company and car insurance from another, you could be paying too much for both! Ask each insurer if they would give you a discount if you bought both types of coverage. You could save 10-20%!<sup>2</sup>

## Consider your coverage.

Going from a \$200 deductible to \$500 can save you 15-30% in premium for comprehensive and collision coverage.<sup>3</sup> If your car is getting old, you may be paying a large percentage of its value each year in insurance, so you may want to consider dropping collision.

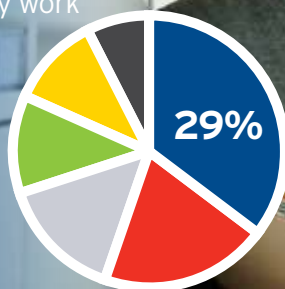
<sup>1</sup> Savings amount is based on survey responses from Primerica customers who declared saving money after purchasing insurance from Answer Financial. Savings amount represents the estimated savings statements provided by these customers during July 2012 to December 2012. Average reported savings were \$466 per year. Primerica Secure is not available in Canada or Puerto Rico. <sup>2</sup> *Money*, June 2013 <sup>3</sup> *Ibid*

## Start a Business

Ask your Primerica representative how you can become a representative yourself and help families with their finances. It's a great way to earn extra money while doing meaningful work that makes a difference in people's lives!

## What are your top career priorities?

- 29% Scaling back at work/more flexibility
- 22% Keeping my current job
- 16% Finding more meaning in my work
- 13% Getting a promotion
- 12% Earning a lot more money
- 8% Changing careers



*Money*, July 2013