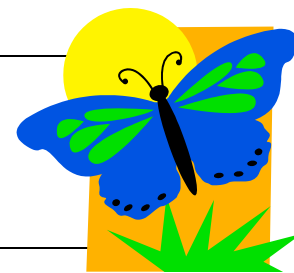


Build Your Net Worth

News & Tools ~ June 2005



Excuses or Choices

By Doris Dobkins

Many times I hear people say, "I don't have time for that" or "I'm too old to start doing that" or "It'll never happen for me." I hear these phrases all the time whenever there are conversations about finances, diets or exercise programs. Do you hear them too?

For example, I've heard people say they don't want to set up a budget because they don't have enough time. Or they don't want to save money for their retirement because they are too old and they'll never save up enough anyway so why bother. How about those who never start exercising or dieting because they just don't believe they'll ever receive the benefits.

I want to ask you a question now. Do you think these responses are excuses or choices?

For a moment, let's compare the terms "excuse" and "choice"!

According to Webster, an excuse is "an explanation offered as a reason for being excused; a plea offered in extenuation of a fault or for release from an obligation, promise, etc."

And a choice is, "the right, power, or opportunity to choose; option" It's pretty obvious that there is a big difference in the two words yet I think many people confuse the two. Everyday we make choices that keep us from being what we want to be, physically, financially, spiritually and mentally. These choices are disguised as excuses.

Many people have become so accustomed to allowing society to make choices for them that they are deceived into believing that they no longer have any choices left to make. Therefore they turn all the negatives in their life into, "I can't" statements and excuses. This couldn't be further from the truth. A more truthful way of speaking would be to say, "I choose not to exercise everyday." "I choose not to take the time to set up a personal budget." Or, "I choose not to start setting aside money each month for retirement."

The first step to changing your excuses to choices is to be honest with yourself. Start communicating correctly with yourself and others. Once you acknowledge that you do have choices, you will be able to start taking better control of your life.

We all do have choices. When we realize that, we hopefully will stop making excuses and start making different choices that will help us get to where we want to go.

Doris Dobkins, an Independent Consultant, is also the Money Saving Expert Author of "Financial Freedom A-Z Home Study Course" and publisher of the free weekly ezine Smart Money New\$.

SAVINGS: Where are you?

Personal savings rate is currently 3.4% of disposable income (Bureau of Economic Analysis)

59.2% of households have savings. (Federal Reserve)

Median household net worth- \$86,100. Average family net worth- \$395,000 (Federal Reserve)

Median value of retirement account for a household with \$25-50,000 income- \$13,000 (Census Bureau)

Median value of retirement account for a household with \$50-100,000 income- \$31,000 (Census Bureau)

40 million Americans have put \$1.5 trillion into 401(k) retirement accounts. (President Bush)

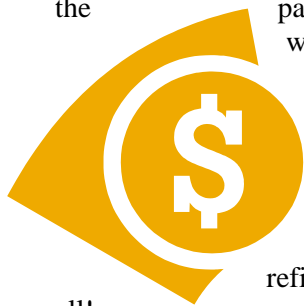
Frequently asked FICO Score Questions

By Sherry Ridge

Your FICO score is your credit rating from a credit reporting bureau. The higher the number the better. The better FICO score allows you to have a lower interest rate on the money you borrow.

Of course for those of us that are debt free, we don't we need a high FICO score, since we no longer live on credit. But for those of us still

working on our plan it could help to get us out of debt faster. Typically the lower the interest rate the lower the payment. This would allow you to add more money to your accelerator margin. Am I advocating consolidations, refinancing? Not at all!



I know the power of the Transforming Debt Into Wealth®. Remember I am DEBT FREE; it's the only way to be. I get questions on FICO scores all the time. Typically I would not have much information on it, because it is not something that our program advocates. But I've searched out to answer some of the most frequent questions I am asked about it. The first one I answered above, "What is a FICO score?"

The next popular question is, "What is a good and bad score?" FICO scores range from 300-850, most people score in the 600-700 range. Three national credit reporting agencies (Equifax, Experian and TransUnion) are the ones that do the rating and give this information to lenders. Most lenders feel that a sign of good financial health is a FICO credit score above 700. A higher risk to lenders would be a FICO score below 600. This would cause a lender to deny credit or charge a higher interest rate.

"What exactly is being rated to get my FICO score?" There are 5 parts to your FICO credit score. How much you owe, your payment history, length of credit history, new credit and other factors. How much you owe is the amount you owe on all accounts, the number of accounts that have balances due and how much

of your available credit you are using. Your score will be lower, the more you owe towards that credit limit.

Your payment history will lead to high score with on time payments. This is also the area that a bankruptcy will hurt the scoring.

The longer amount of time you have on your credit history the higher this portion of your score.

About 10% of your FICO score is weighed by the number of new accounts you open or apply for. When looking for a loan it should be done in short time span. Having a creditor look for a single loan versus multiple creditors looking to open accounts for you is better for your score.

Other factors would be the mix of credit that you have. A better score would show a mix of mortgage, car loan and credit cards over one with all credit cards.

"What can I do to improve my FICO score?" There are several things you can do, below are just a few:

- ✓ Pay your bills on time
- ✓ Pay off debt, instead of transferring balances

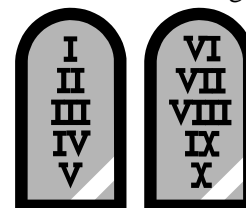
- ✓ Check your credit report on a regular basis
- ✓ Keep the balances on credit cards low

Remember that your FICO score can also be used to rate you on insurance premiums. Although we may have made credit and financial mistakes in the past, the one good thing about these kinds of mistakes is that over time they can be repaired. If you are struggling now with just staying afloat, call the consultant that send you this newsletter and see if he/she can help you.

Sherry Ridge a National Sales Manager with Tower Financial Services™, conducts Transforming Debt into Wealth® workshops all over Lake County, Illinois. She eliminated over \$150,000 in debt in 7.3 years.

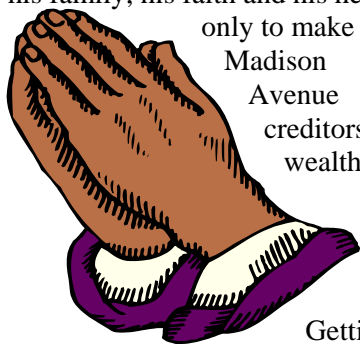
Biblical View on Debt

Through teaching fellow Americans to become debt free we are often asked what we see as the Bible's view on debt. A debt is something that is owed and in Romans 13:8 we are instructed to "Owe no man



anything..." So for us the view is clear, debt is wrong. God has a plan for us to be servants only on to him not to any other gods or man. When we owe someone, they own a part of us and many times we get in position to serve them. Proverbs 22:7 says, "The rich rule over the poor, and the borrower is servant to the lender." True Christians know that you can not serve two masters and that God's plan for us does not include debt.

In Proverbs 21:10 the Bible tells how the man that spends all his money is foolish. Would this not also apply to the man that works to the detriment of his family, his faith and his health



only to make his
Madison
Avenue
creditors
wealthy?

Getting out of debt not only increases your net worth in dollars but it does so ten fold to your family, your faith and to your only true master, God.

For more information on the Bible's view on debt ask the consultant that sent you this newsletter how you can get a copy of John Cummuta's, [A Biblical Perspective on Debt -FREE & Prospers Living](#)®.

*Where have you been
all my life?*

... the client reaction!

Here is what some of our clients are saying about our debt elimination and wealth building programs.

Thanks for the newsletter. They are VERY encouraging.

Rora C.
Houston, TX

I am working thru the book to get myself set for the New Year. Thank you for a very eye-opening class. I have since paid off my sons 4-wheeler loan and for Christmas I have wrapped up the paid off loan on my husbands truck. It sure feels

good to have done this.

I wanted to sign up for your newsletter so I can continue to learn the best way to help us eliminate our debt.

Bert M.
Grand Ridge, IL

I would like to say thank you for sharing this invaluable information with me. I definitely see how it can work.

Jess L.
Schaumburg, IL

I did it! I've eliminated all my credit card debt in 3 years and now I am working on my mortgage. I will have that paid off December, 2007.

The best part is I did it on my own. I'm a single mom and sole supporter of my family. Thank you so much!

God Bless,
Melba H.
Ely, NV

We attended your Debt to Wealth class this past weekend. You have given us new hope that we may actually be able to move out of our parent's home and be able to



purchase a place of our own.

Ann L.
Palatine, IL

The John Cummuta Financial workshops, Transforming Debt Into Wealth®, Transforming Debt into Blessing® and Debt-FREE & Prosperous Living® have been taught in the following Churches and places of worship:

Springdale Baptist Church, West Columbia, SC

Foursquare Gospel Church, Prairie du Chien, WI

Foursquare Great Lakes District Men's Retreat, IL

Salem Baptist Church, Chicago, IL

New Beginnings Church, Jacksonville, FL

Peace Baptist Church Washington, DC

Crossroads Community Church, Chilliwack, BC

Wellspring Mennonite Church, Abbotsford, BC

Unity Church, Bellevue, WA

Hope Chapel, San Pedro, CA

St. Mary's Catholic, Marietta, CA

Wausau Community Chapel, Wausau, WI

Eastside Foursquare Church, Bothell, WA

Grace Bible Church, Dayton, TN

Anniston Bible Church, Anniston, AL

United Church of Phelps is in Phelps, NY

Madison Church of God, Madison, Georgia

Cole Community Church, Boise, ID

South Dayton Church of God, Dayton, TN

Heights Seventh Day Advent, Albuquerque NM

Edgewood Believers Fellowship, Edgewood, NM

Henderson Presbyterian Church, Henderson, NV

Burlington Baptist, Church in Burlington, KY

Chester Christian Center Assembly of God, Chesterland, OH