

“Dave \$ays...”



by **DAVE RAMSEY /**
Contributing Writer

Dear Dave,
I had a great job as IT coordinator until I was laid off a couple of months ago. My wife and I have been through Financial Peace University and, luckily, we had an emergency fund that we were able to live off of for a little while, until I took a day job as a valet last month. We have gotten caught up on the mortgage, and we have all of the basics covered for my family, (food, shelter and clothing) but now the credit card companies are harassing us. We owe \$8,000 in credit cards and we can't seem to quiet them down. What should we do?

Ken in Nashville, TN

Dear Ken,
So you've got the basics covered and now you just have the credit cards barking. You are currently working during the day so why not find a night job delivering pizzas or something? You won't have to do it forever; just until you get these

Advice on personal finances from popular radio personality, live event speaker and best selling author, Dave Ramsey.

pesky credit cards paid off and can go find that good job again. It's just \$1,000 a month for eight months. You could be debt-free by Christmas. You are doing what you can to feed your family, and for that I commend you. You have got to find a way to get this source of stress off of you. I am talking about working 60-80 hours a week for a while, so that you never have to do that again. You might look back at this as a tough time in your life, and you may not have a lot of extra time to spend with your family for the next few months, but once these credit cards are out of your life, since I know you are never going to borrow again, you will never have to go through it again. It's like I say from time to time, "If you live like

no one else for now, later you can live like no one else! Good for you for taking this bull by the horns and making it happen!

-Dave

Dear Dave,
My wife and I just got married. She is 21 and I am 23 years old. We are both working and we currently owe \$15,000 on our cars. Right now, we pay about \$550 a month for rent and we are thinking about buying a house. We want to get something with small payments, but we wanted to get your advice first to see if this would be a good investment at this time. What can you tell us?
Tom in Salt Lake City, UT

“I am talking about working 60-80 hours a week for a while so that you never have to do it again.”

Dear Tom,

Buying a house is not a good idea right now. You have two car debts that you need to clean up first, and you need an emergency fund of three to six months that you need to build up first, as well.

You see, what happens is, when we get married in America today, everyone gathers around and tells us that we need to go out and buy a house immediately. Now, I am a big fan of real estate, and I do think you should buy a home eventually. I think it is a very good investment. But I think a lot of young couples in their first year of marriage make some really bad purchases in real estate because of a thing called peer pressure. What I would do is rent for my first year or two, build up an emergency fund of three to six months worth of expenses and save up for a huge down payment. Your generation is the first one that wants to buy a home three months into being married. That is not a good idea. Sometimes you need a year just to find out how far away you want to live from your mother-in-law. I'm kidding, of course. You're doing ok, but you don't want to move into a new house with no money. Murphy's law will happen. In fact, Murphy will live in the spare bedroom. Hang in there and take your time. Time is on your side in this case, and you should take advantage of that.

-Dave