

Note: Due to production lead time, this issue may not reflect the current COVID-19 situation in some or all regions of the U.S. For the most up-to-date information visit [coronavirus.gov](https://www.coronavirus.gov).

Personal Loans: Pros and Cons

Have you ever needed to borrow money but didn't want to be locked into rules on how to use it? A personal loan may be a wise choice. This is a type of installment loan where you receive an amount of money up front and are charged a fixed rate for the loan with fixed monthly payments. Personal loans are approved based on your credit score, amount of income and how much overall debt you have (debt-to-income ratio).



Consider the pros and cons to help you make the right choice:

Pros:

- **Personal loans are unsecured;** unlike a car loan or home mortgage, you do not have to attach an asset to your repayment of the loan.
- **Lower interest rates** — personal loans typically offer lower interest rates than credit cards, making them a more attractive option for large purchases. Rates are tied to your credit score, so higher scores mean lower rates.

Cons:

- **Higher monthly payments** — personal loans have specified terms and have to be paid off by the end of the term. This feature creates higher monthly payments.
- **Closing costs** — Personal loans can have fees that increase the overall loan cost. If you miss payments, you may also incur high fees, adding to your monthly payment.

Top Dollar Takeaway: If you have trouble managing money and frequently consolidate debt, it is time to examine your spending rather than asking for more money. However, if you have a high credit score and a specific purpose for the cash, you might consider a personal loan.

Keep an Eye on Special Promotions

For most people, discounts, coupons and other offers make for enjoyable and profitable shopping. Keep these offers in mind as you shop:



Buy one, get one (BOGO): This discount can save you money on expensive items and items you usually buy in multiples. BOGO is a good choice for both scenarios. Buy one, get one free is the best deal. Keep in mind that another common discount, buy one at full price and get one at 50% off is 25% off each item. Read BOGO offers carefully and budget accordingly.

Compare discounts: For example, a 25% coupon on a \$50 purchase seems like a great deal. But if the company offered a \$20 off coupon, that would save you close to 50% of the price.

Multiple buys: Sales on items you use frequently can provide big savings. Items, such as paper goods, meal basics (pasta, canned or frozen foods) and favorites, are good choices with these types of sales. Buy 10 for \$10 is a common example.

Low rates for an introductory period: Many credit card companies offer low introductory rates for the first six, 12 or 18 months. If you have a major purchase, this option could save a good bit of money for you. However, check the offer's conditions. Many introductory rates require you to pay off balances within a certain period.

Conditional offers: Some companies offer promotions with conditions, such as "Spend X amount for a higher percentage off," or "Spend X amount for free shipping."

Bottom line: There are many ways to receive discounts and special deals, but always spend within your budget. No discount is worth going into debt.

TOP DOLLAR TIP: SHOPPING WITH YOUR KIDS

Impulse shopping can tempt even the most disciplined person. Adding a child to the formula can increase the urge to say "Yes." Before you head to the stores, give your kids cash they can spend on treats or small items, such as stickers. Doing so allows them to be in control of small-level wants and prevents ugly meltdowns. A possible variation of this idea? Tell your children that whatever money they don't spend, you will match it after returning home.



Q: Do I need identity theft protection?

A: In a word, yes. Identity theft is when someone uses your data — your social security number, birthday, even your name — and poses as you to steal assets and cash from you. In 2020, the FTC received 1.4 million identity theft complaints from consumers, an increase of 113% from 2019. Many basic functions of identity protection companies are actions you can do on your own without charge. Here are a few:



- ❖ Review your credit report for changes in addresses and accounts listed.
- ❖ Freeze your credit through all three major credit bureaus (Equifax, Experian and TransUnion).
- ❖ Report identity theft as soon as you become aware.

Using identity protection services may be advisable if any of the following apply to you:

- ❖ You are unwilling to freeze your credit.
- ❖ You have already been a victim of identity theft.
- ❖ You aren't willing to diligently monitor your credit.

Before purchasing monitoring services, check with services you already have to see if they offer identity theft protection. Typical services include monitoring your credit files, alerting you if someone tries to open an account in your name or purchasing through an account you already own. If identity theft does occur, protection companies will work on your behalf to recover the money stolen from you.

TOP DOLLAR DICTIONARY: Child and Dependent Care Credit

The Child and Dependent Care Credit

is a potentially refundable tax credit offered to taxpayers who pay out-of-pocket expenses to care for children and other dependents (qualifying persons) under age 13. Dependents older than 13 may qualify if they can't care for themselves due to mental or physical conditions. The amount of expenses that qualify for the credit depends on your income level and a dollar limit for eligible expenses. For the 2021 tax year, the credit was up to \$4,000 for one qualifying person and \$8,000 for two or more qualifying persons. Care can be provided inside or outside of your home. The credit begins to phase out when the taxpayer's **adjusted gross income (AGI)** rises above \$125,000 and is entirely unavailable when the taxpayer's AGI reaches \$438,000. The credit can be refundable, even if a person owes \$0 in federal income tax.



Avoid Scary Halloween Spending

Most people look forward to frightening fun when Halloween rolls around. However, expenses can add up for those handing out candy and those taking home the loot. Below are ways to save during the spookiest time of the year:



Save on decorations:

- Look for lawn decorations at yard sales and thrift stores year round. Some folks sell holiday decorations for low prices.
- Plan for next year. Shop for decorations on November 1 for deeply discounted prices. **Note:** Some stores offer markdowns before October 31.

Save on food and candy:

- Purchase large bags of candy at discount clubs or warehouses.
- If you are having a party, make your treats. Homemade spooky cakes, cookies and candies are not only low cost but easy to make.
- If you invited a group over to enjoy the holiday, have each person bring their favorite type of candy. You not only save money, but you get to enjoy your friends' favorite treats.

As with food for any occasion, be mindful of allergies and other sensitivities.

Save on costumes:

- Make your own. Look through your closet for clothing ideas. If you need a mask, try inexpensive makeup from the drug store.
- Check out physical and online discount stores. You may find bargains for the perfect costume or part of a costume.
- Costume swap with friends. Hunting through each other's Halloween stashes is a great way to save and have fun.



The Smart Moves Toolkit, including this issue's printable download, **Save Your Neck**, is at personalbest.com/extras/22V9tools.

TopDollar® is published to provide readers with the information and the motivation needed to achieve and maintain a healthier lifestyle. The content herein is in no way intended to serve as a substitute for professional advice. Executive Editor: Susan Cottman. Writer and Adviser: Jamie Lynn Byram, PhD, AFC. Sources available on request. © 2022 Ebix Inc. All rights reserved. Unauthorized reproduction in any form of any part of this publication is a violation of federal copyright law and is strictly prohibited. Personal Best® is a registered trademark of Ebix Inc. 1 Ebix Way, Johns Creek, GA 30097 • 800-871-9525 • fax: 205-437-3084 • e-mail: PBEditor@ebix.com • website: personalbest.com.