

Stealing Your Future Security

Sometimes it takes a slight shift in perspective to get to an aha moment that motivates you to change a habit.

That's one theory that Preet Banerjee puts forward in a short TEDx Talk video (<https://bit.ly/2lQQIXs>) about people's money habits.

Banerjee (<https://bit.ly/2qRgBu0>), once a neuroscientist and race car driver, is now a personal financial guru who writes for Canada's *Globe and Mail* and hosted "Million Dollar Neighbourhood" on the Oprah Winfrey Network.

"Debt used to be a four-letter word. We need to start hating debt again," he says.

After all, it robs you of your future security.

When Interest is an Enemy

A few bad money habits seem pretty innocent in your day-to-day life. But they often add up to costly long-term debt.

For instance, compounding interest is great when it's working in your favor in your retirement account.

But when you're carrying a \$5,000 balance on your credit card? Not so terrific.

With an APR of 16 percent and making only minimum payments (calculated at interest plus 1 percent of your balance), it will take 269 months to pay off a \$5,000 balance. You'll also end up paying **\$6,126.19** in interest charges.

Instead of looking only at how interest can compound, look at the evils of interest when you're borrowing to buy things – cars, for example -- that decline in value, suggests Banerjee.

"You're borrowing money from your future self when you take a loan," he says.

Don't Negotiate Your Own Pay Cut

So before making a big decision, like buying an expensive car, he recommends going to an online calculator to see what you'll pay in interest over the lifetime of that loan. And keep in mind that this won't be your only car. You'll likely buy several

over the course of your life. He warns that you'll be paying interest on every single car loan that you take.

Once you figure the total interest on a loan, calculate how many extra months you'll have to work to pay for that interest.

The exercise may get to your aha moment.

"Think of borrowing money today as negotiating a pay cut with your future self," he says.

Tool Libraries

So maybe your REALTOR® suggested that you spruce up your house before putting on the market. Or you're gearing up do some spring cleaning and DIY upgrades.

Check your local library before heading to the hardware store to buy new tools.

Many libraries are embracing the shared economy trend and have stocked up on all sorts of useful items that people can borrow.

It's an especially good idea – and a way to save some cash – if you need a tool for a one-time project or if you've downsized and don't have space to store things you use infrequently.

Many operate on the traditional library borrowing model, though others may require a membership or charge a small fee to borrow gear.

Nail Guns, Pasta Makers, Thermal Cameras

Libraries are loaning a huge array of things.

Toronto's Tool Library (<https://bit.ly/2IU82FH>) for instance, offers everything from drills, wrenches, and paint scrapers, to hand saws, and pneumatic nail guns.

Other libraries offer energy efficiency tools. At the Wilmington Library, Wilmington, Mass., library (<https://bit.ly/2viou0a>), residents can find an energy audit kit. The Robbins Library (<https://bit.ly/2IU8Kml>) in Arlington, Mass., has a thermal camera and a Kill A Watt Electricity Usage monitor for DIY energy audits.

Depending on where you live, you may find surprises at your library. The Petawawa Public Library (<https://bit.ly/2HhE01g>) in Ontario, for example, loans out snow shoes, Nordic walking poles, and binoculars.

The Elmhurst Public Library (<https://bit.ly/2GWyRfB>), Elmhurst, Ill., lets patrons check out sewing machines, crochet hooks, pasta makers, and food dehydrators, and in Washington County (<https://bit.ly/2qtseq0>), Ore., residents can borrow ukuleles, a chocolate fountain, and a karaoke machine.

Check out Local Tools' map (<https://bit.ly/2GXeHhB>) to see if there's a tool library where you live.

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