

[The Best Way To Prevent Identity Theft](#)

[0:00:12] ST: Welcome nation to the Financial Rockstar Show. I'm your host, Scott Alan Turner, ready to help you get out of debt, save more money and retire early. In the studio with me is producer Katie, who only works so she can travel. On the show today, we'll be answering your questions about money, business and life. If you have a question you would like answered on the show, visit goaskscott.com.

If you missed the last show, I spoke with Stefanie O'Connell, a personal finance blogger and actress living in New York City on a budget which is amazing in that city. Voice is a little shot today because today I started my public speaking career. Yes, this morning I had the opportunity to speak to some first graders and some second graders about coding.

It's the National Hour of Code Week, so I've got to chat with these wonderful, amazing, cool kids 40 or 50 of them in each class. I spoke to the first graders first and the second graders after that sharing my experiences with code and they only managed to stump me one time in the Q&A session. One of the kids, one of the first graders he raised his hand and I said, "Yes sir, what's your question?"

And he said, "Why is your hair all spiky in the middle?" And he got me. He got me, I really had no response for that. It's like, "I don't know why I wear my hair like I do" but other than that, I manage to field all their questions pretty well and help them out learn some code. Alright, let's get on with the show.

This is a red money alert. The odds are that you will have your identity stolen. The odds are around 1 in 15 during a given year. Now, I'm going to share with you the best way to protect yourself from identity theft at the lowest cost to you, plus where you can get credit monitoring for free. Now, you've probably heard of LifeLock but hold on, hold on. I'm not trying to sell you LifeLock. Exactly the opposite.

LifeLock is a big advertiser on the radio and on the web but they're in the news again and not for a good reason. LifeLock agreed to pay \$12 million in March of 2010 as part of a settlement with the Federal Trade Commission in 35 States. LifeLock was accused of misrepresenting the amount of protection provided for customers and they settled the case. As part of that settlement, LifeLock agreed to some changes of their business practices and not making false claims in their advertising.

But now, LifeLock is accused of violating the settlement agreement. The FTC alleges LifeLock is still making false advertising claims. LifeLock claims that the data you are paying to have protected is receiving the same level of protection as that provider by financial institutions. They also advertise you'll receive an alert as soon as LifeLock detects a problem. But the website specifies no timeframe for you receiving an alert.

Another issue the FTC alleges, LifeLock still doesn't have a plan in place to protect your sensitive data and they didn't keep the records they had agreed to maintain. I could go on but there's no point. LifeLock standard plan is \$120 a year while their top plan is \$360 a year. Note: I'm not going to share with you the monthly rate you'll see advertised on their website because broke people think in terms of monthly payments. I want to help you discover how to save money, how to retire early and that means thinking of the total cost not what can I afford each month.

Top three credit bureaus, Equifax, Trans Union and Experian, they have their own identity protection plans as well and certain well-known personal finance experts try to sell you on other identity theft protection plans and so do some high profile talk radio host, the credit card companies try to sell this stuff too. Amex has a credit monitoring third service called Credit Secure for \$14.99 a month.

Nation, put your wallets away. Put away your purses. If you're paying for one of these services, I have a cheaper alternative for you. It's called a credit freeze. Now, a credit freeze or a security freeze as it's sometimes called, that lets you restrict access to your credit report. Creditors want to pull your credit before issuing you a credit card, car loan or a mortgage.

So if they can't see your credit report, what? They aren't likely to give you any credit right? Or more importantly, they won't extend credit to someone pretending to be you. It stops the thieves like none of these other services can. Now, it cost five to

\$10 to place a credit freeze at each of the three credit reporting companies, Equifax, Experian and Trans Union. You have to do credit freeze at all three, that's important. And the fees will vary by what state you live in. The freeze is permanent until you lift it. So it's \$5 or \$10 one time. It's not every year and certainly not every month.

Now, when you need credit such as when you're opening a new bank account, changing cellphone carriers, taking on a loan, applying for a new credit card, you can do what's called a thaw on your credit. A temporary thaw for an additional five to \$10, but again, it is so much cheaper than paying for a monthly service that only notifies you that someone has stolen your identity. If you still want credit monitoring you can get it free through creditkarma.com. Credit Karma not only gives you free credit reports monitoring, you can get your credit score from there free as well.

Now, these paid for monitoring service that I mentioned, they're a joke and they are way more expensive than the alternatives. Ask yourself, "Why aren't they taken to court by the FTC?" I want you to save more of your money and have more protection at the same time. So two things you can do today, one, put a permanent credit freeze on your credit file at all three credit bureaus. Stop the thieves in their tracks. Number two, sign up for Credit Karma to get credit monitoring for free. Now onto your questions.

Barry writes:

[0:06:59] B: "I love hearing about people like you who took a leap of faith and left your corporate job to pursue your dreams. I have a regular job making \$60,000 a year but I'm not happy with what I do. It's not fulfilling and I don't want to work in this line of work for the rest of my life.

My dream job would require me taking two years off to further my education and taking a big pay cut to start over. What do I need to consider before doing this? I am married and we don't have kids yet. My wife and I would like to start a family soon. She would work and pay the bills while I attend school."

[0:07:30] ST: So, many of you are in a job you don't like. A study by the American Labor Force found 52% of people just show up and punch in and out. Another 18% of people hate their jobs, out right and just 30% of us like our jobs. That's not many, nation. That is too few. One out of three people are happy and so that's going to change and guess who has to change it? That will be you.

If you are in the two out of three people that recognize, "Hmm, this job isn't for me. I want to change," then figure out how to make a change. For some of us that doesn't mean we have to leave our jobs, we can find ways to make your job better but as Barry says, "I'm outta here." So I think you have the beginnings of a good game plan Barry.

Your wife is going to pay the bills while you go back to school. That's what I did when my wife Katie worked on her MBA full time. You don't have kids yet, so you have some added flexibility there. It's a smart choice to beat a wait on the kids. Now, it's a personal decision and it is a hard one for some people to make because we're not getting any younger but financially, it would be easier.

If you are going to take a pay cut, think ahead of how your life is going to look like when you're living on lesser income and you do start having kids. Is your wife going to stay home with the kids? Are you going to have enough money on your lower salary and pay all the bills with a bigger family? Those are some of the things that you need to think about when you make this type of move.

Less money, bigger family, bigger bills. Maybe you work part time for a couple of those years while you're in school and pay some of the debts, you know if you have a mortgage if you own a home, make sure all your debts are paid up and accept the mortgage to give you some breathing room too. If kids are in the plan, pay for your school as you go along.

Don't graduate with a bunch of student loans and then take on an expensive baby. A cheap baby maybe but try to avoid the expensive ones and don't have twins and certainly not triplets. What else? Have a three to six month emergency fund in place before you leave your job. It's that cushion that's going to help you sleep better at night.

Even with your wife working, you need to be prepared for the worst. When I left my corporate job, I had six months of expenses in place prior to handing in my resignation. It's a smart move when you're planning on taking a pay cut even if you have a spouse with another income. So awesome Barry, thanks for the question and I hope you inspire others to start thinking about where they are and maybe if they need to make a change.

Brock says:

[0:10:04] B: "One thing I struggle with is earning money. I'm 42 with a BA in English and still only make about \$30,000 a year. I have whittled my spending down as low as I can get it. My only remaining debt is \$15,000 of student loans and a \$136,000 mortgage. I work at a restaurant temporarily but I am trying to find another job."

[0:10:24] ST: So I think it's great Brock, you are out there working at a temp shop instead of collecting unemployment. A lot of people wouldn't be doing that but the bottom line is, you are simply not earning enough. From a financial standpoint, if you want to be making more, you have to make increase in your income your top priority.

If you want to get in a different field, make yourself an expert on that field. Volunteer your time to people or groups that are in that industry. Go to monthly meet ups and learn from other experts. You can also network with people who may know of employment opportunities. Take advantage of free online education to learn as much as you can.

Then when you go out for that job interview, you are going to shine because you can show you are a go getter, who despite your circumstances continued to use your time to learn and expand your knowledge. If you're not underwater on the house and the job prospects continue to look bleak in your area, I would consider unloading the house if you start struggling with keeping up the bills.

Don't wait until it becomes an issue. You want to plan ahead for the worst case scenario. Renting is going to allow you to knock out your student loans faster. Then when you don't have no student loans and no mortgage, you're pretty much free to do whatever you want and move wherever the jobs are. Texas is a great option.

Where you are, the Bay area, its crazy expensive. If you can avoid living there, you'll have an easier go of having more income that doesn't have to go towards housing. Now regarding your side business you were telling me about, try to figure out what happened with that and see if it can be repaired. Brock and I had an exchange offline. I didn't mention to him a side business with Amazon doing some reselling.

So maybe you need to pivot and find something else to do on Amazon since you already have that experience. If you're going to develop that business on the side, that can be a great source of additional income. Lots of people have Amazon businesses that they make money on passively.

Another side job that you can do, tutoring. You've got a degree and with that, you can find some opportunities where people need help with English and if you teach multiple people at the same time, you can get paid twice as much at the same amount of time or five to ten times amount if you get a bunch of students. So with your background, you have a bunch of directions you can go.

I would first figure out where do you want to go? Then you make a plan to get there as quickly and efficiently as possible. If you're working for someone else, you need to find a way to make yourself more valuable to get yourself promoted. Start finding ways to improve the company. They don't even have to be in your area of expertise.

In fact, if you learn more about other parts of the company and can contribute, you become more valuable to your employer. Don't be afraid to look like an idiot, that's called learning. In your free time, again, do as much extra learning as you can about your industry. There are plenty of free online classes about any subject you can imagine.

Just make yourself an expert. I did that repeatedly back when I was in the corporate world. It helps you find something you enjoy doing. If you want to get in a different field, you've got to make yourself an expert in that field. Volunteer your time to people or groups who are in that industry. Again, go to monthly meet ups and learn from other experts.

If you run your own business, again, take those free online courses and learn how to market your company or services better. Now, given your income and how much you owe on the student loans, check out refinancing them at a lower interest rate if you can. If you can refinance at that lower rate, keep making the same payments though so that more money can be applied towards the principle instead of going towards interest and you'll pay down your loans faster.

The only thing that is standing between you and making more money is you. So I would challenge you to set a goal to be earning at least \$45,000 a year. 18 months from now, it's a realistic goal. First determine how much you want to be earning and by when then work backwards to figure out how you're going to get there.

If you pick a number and there's nobody at your level within your company making that much, you just figured out you either need to move up or move on and both of those directions require you to do something different than what you've been doing. If we're teachers, we are never going to be making \$80,000 a year just teaching.

Now we can do it if we're selling lesson plans on the side but not just teaching. We can do it by having rental homes on the side or we can make an upper move to become a vice principal or the principal or working for the school's superintendent but if you love teaching, each of those choices get you further away from the students, which is probably why you wanted to teach to begin with. So we've each got to pick a passion for teaching others if we're in that scenario. Thanks Brock for the question.

If you have a money related question you'd like answered, please visit goaskscott.com to get in touch with me. That website has my e-mail address, Twitter or leave me a voicemail. Please contact me, I am here to help you.

[BREAK]

[0:15:28] ST: Now if you have a home, an apartment, an RV trailer, a condo, chances are you own a refrigerator. I think I've got everyone covered, everyone eats so I've got a trick for you to save money on electricity. In our house, our fridge isn't staying cold. We put the instant read thermometer in there to test out. It kept registering in the 40's.

Now your fridge should be about 32 to 40 for food safety. We keep ours at about 37. We called the repair man, he comes out, he charges a bunch of money for showing up because you know how repair man are and he said the temperature wasn't staying cold because the fridge didn't have enough stuff in it. It's only about a third full.

So we found out the hard way by paying for the service visit to keep your refrigerator in freezer temperatures in the range they need to be and to save money on electricity, you've got to stuff that appliance full. What if you're single or you don't keep a lot of food on hand? That was us, we didn't have a lot of food in there.

Well then you just get some jugs of water in the fridge to take up the space. Fill up some bowls, fill up some Tupperware, fill up some gallon milk jugs, pots and pans, same thing for the freezer. You can also fill up a gallon zip lock bags with water and let them freeze. So those containers of water or ice in the freezer, they help keep stuff cooler inside by storing the cold.

That makes the refrigerator run less. You can save \$20 bucks maybe up to \$50 a year simply by keeping the fridge full. Easy money saving tip and next time, you won't have to make a service call when your fridge is running a little hot. Now you know it's because there's nothing in it. Now, back to your questions.

Rafael says:

[0:17:13] R: "You mentioned that you and your wife have a credit score in the eight hundreds. My current score is 745, my goal is 800 since I want to be part of the elite. Any tips on reaching that goal and joining the club like you and your wife? I

follow and have never broken any of the things you've mentioned but I've been stuck at this number for a while. I currently only have one credit card which is the Discover card."

[0:17:38] ST: Well first, 745, that's a pretty darn nice score. That's a good score. What I think is lacking in your credit is diversification. You only have the Discover card. It's the credit scoring algorithms, they like to see more than one type of account. Maybe if you added a Visa or a Master Card, just one, use it occasionally maybe once a quarter, pay it off on time, your score will probably go up.

Now keep in mind when you open that account, your score is going to go down temporarily. Now mortgages is going to help you if you're going to get a home. I don't suggest you take out a car loan or student loan just to improve your credit score. I mean that's silly. We haven't had any loans since 2009, that's when we paid off our mortgage but we do have a long history of different types of credit and mortgages.

While we only have the one card now and my business card that may be on that account too, we have a really, really long credit history and we've always paid our bills on time. Credit scores, they like to see a long history where accounts have been open five, ten years or more. So those are some tips. Sometimes, it's just going to take time. Thanks for the question Rafael.

Amy asks:

[0:18:53] A: "I need to figure out how to get out of debt on very little money while I'm in between jobs."

[0:18:59] ST: So if you don't have any income but the bills are still coming in, the first step is to cut all your unnecessary expenses no matter how painful that may be. That includes the cable, those eating out, any monthly subscriptions, entertainment and so on but you've got to remember, these are all temporary things. For in this situation, we are just trying to stop the bleeding.

Once we have our healthy finances again and an income, okay, then life now goes back to normal. Most people don't realize this. Hear me on this nation, it is possible to survive without TV, it is. Just like when the power goes out during a storm, suddenly we remember, "Oh, I know how to read. I can read a book or we can play a board game with the family."

It sounds crazy but some people do need to be reminded and cable is not a necessity during the down times. It's a want, it's not a need. For groceries, if we're in this situation, also it's possible to get by on sandwiches and spaghetti without meat and a huss of other things, they still taste good but don't cost as much as the grocery bill.

Get your oatmeal, your rice, your pasta, those are all cheap and tasty foods. Practically, you need to make a list of your needs of the month. Food, utilities, housing, transportation. Those four things are all you should be spending your money on right now. You take out your list and put a number one next to the thing that's most important for you. To give everybody a hint: its food. Then you put a number two, next to the most next important thing, probably it's going to be your car payment so you can get around if you have a car payment and you keep putting numbers next to everything on your list until it has a priority. Now paying your credit card bills, that isn't a need.

Those guys can wait if you're to of work. You need to provide food for your family, you need to put a roof over your head, credit card bills, they can pile up for the time being. Yes, if you've got balances, you're going to be dinged with late payments, you're going to get dinged with interest payments. Credit score, probably going to drop.

That thing is going to drop if you start missing payments but it doesn't matter right now. You've got to have a roof over your head and the credit card companies, they can't take your house. The mortgage lender that holds the mortgage, they can. Housing is a need, credit card payments aren't. So next to each items on that list, you put on how much you plan on spending on that for the next month.

Example, \$300 on groceries, \$800 on the mortgage and so on. When you're deciding on what bills you need to be paying for the month, you look at your list and you pay things in priority order. If something isn't a need, food, transportation, utilities,

housing, you don't spend money on it that month. While you're between jobs, pick up an extra job temporarily if you can. If we have to wash dishes at a restaurant to help pay for our basic needs, then we've got to pick up a job washing dishes at a restaurant to pay for our basic needs. A lot of us, a lot of people they aren't willing to take a job that feels beneath them to make some extra money, but it's a character builder and will do wonders for getting your finances back on track.

An extra thousand or \$2,000 a month from your temporary job goes a long way. You're going to look at selling everything you possibly can that you don't need. Have a garage sale, clean out the attic. If you have three TV's in your house, sell two. If you have a breakfast table and a dining room table, sell the dining room table.

You can always get more stuff later. If you have a car payment, I think nation you know how I feel about those, if you have enough equity in your car to sell it and pay cash for a three to \$5,000 used car, do it. That one decision alone will be a huge load off your mind and offer outstanding debts because you won't have a car payment anymore.

What I would not do is fund all your other expenses with another credit card or cash advances. That's just digging yourself further into a hole that you're already in. The general idea, you're covering your basic needs as best you can. You can't afford the wants right now. That is actually normal situation for a lot of people to be at in some point of their lives but you will get out of it.

It might not seem like it now when you're sitting there but believe me, it is a near impossibility that you will be unemployed with no income for the rest of your life, right? So you just have to bear down and grind it out until the income comes back. The light is there at the end of the tunnel, it just might look like a tiny dot, the size of a pencil tip.

Next week, a few weeks, several weeks, however long it takes, the dot gets a little bigger. Then it gets a little bigger, then it gets a little bigger. Before long, you're out of the tunnel, back into the sunshine, life is back to normal. It's a season you're going through and that's how you have to look at it. We all have good seasons, we all have bad seasons. You're not alone on this. You're not the first person to ever experience this. The seasons do change. Thanks for the question Amy.

Okay, a quick break, back in 30 seconds, I'll be answering more of your questions. You're listening to Scott Alan Turner.

[BREAK]

[0:24:19] ST: Hey Rockstar Nation, Scott Alan Turner here. Now, for those of you that are my long time listeners, you know I'm not one of those guys in the radio who promotes every product that shows up on their desk. You're never going to hear me trying to get you to buy wine from Texas or recommending you buy air conditioning service from a company in the city I've never lived in.

No, I have a name to uphold to you, my valued and awesome listeners. But if I were, if I were to recommend something to you, I would tell you about public bread. If you need to make a sandwich, bread pudding, stuffing for a turkey, breadcrumbs for your parmesan chicken, what else? Toast, feeding the ducks, you can't go wrong with public bread.

Twice the yeast and half the sugar of normal bread, you can taste the difference. Public bread is made by the Brotherhood of Millers and the Brotherhood uses only the finest flour. True Roman bread for true Romans. Available in the bread section of select grocery stores. Tell them Scott Alan Turner sent you.

[FINAL MESSAGE]

[0:25:19] ST: Welcome back nation. The path of life is a journey. In fact, it's a marathon. On the journey to financial freedom, we are going to wobble from side to side as we travel the path. We're just trying not to trip over a root and do another face plant right? Yes, another because we have all fallen on our faces. It's not where you are, it's where going from here starting right now. Those are the words.

Next time on the show, an interview with Phillip Taylor, who is a personal finance blogger who has a wealth of good financial advice to share with you. That's it for this episode. I'm your host Scott Alan Turner, rockstar Katie is my producer. Special bumper music today provided by The Hyenas and so are these audio tracks.

Find out more about them and all the links mentioned on the show in the show notes on scottalanturner.com. Today's episode of powered by Ben & Jerry's ice cream. Thanks for listening.

[0:26:17] ANNOUNCER: You're not alone on your journey to live a financial rock star life. That's why we put together a free eBook just for you. Go to financialrockstar.club to receive your free guide on how to save \$1,000 in one week and start getting out of debt, saving more money and retiring early. See you next time.

[END]