

Tom: In this video we're going to talk about personal loans and adult education.

Welcome to the Mullooly Asset show. I'm your host, Tom Mullooly, and this is episode nineteen, the lost Met episode. We went through a whole list of Met to wore number nineteen. We didn't really have too many worthy candidates. We should probably put up a picture of Mr. Met, I guess. Here, over in the corner. There are a lot of people that war nineteen. Tim Foli wore it twice. He got traded for Rusty Staub. Bob Ojeda wore it on the '86 Mets. Anthony Young, a name, if you're not a crazy Mets fan, you probably don't recognize the name, but he lost nineteen games in a row in the early '90s for the Mets. That's an MLB record.

The format for these videos is we take questions and topics that we have come up in conversations with our clients and other folks that call in, including a crazy lady in Ohio who's become a subscriber. We put them in question format, and then we answer them as best we can. If you've got a question, we'd love to hear from you.

Casey, what do you have for the first question today?

Casey: I know you've talked about it in a video before, but how important is it to have that safety net?

Tom: It's very important to have that safety net. I know we talked about this in an earlier video as well, but I found an article that came out just a few days ago on Market Watch that made me practically fall off my chair, because I couldn't believe how silly it was talking about personal loans, Bank Rate. Which is a pretty well known website. Bankrate.com had a survey recently of a thousand Americans, and more than 10% of them were talking about taking out a personal loan in the next twelve months. A big percentage of the respondents were between the ages of eighteen and twenty-nine. The article that was online talked about how millennials are taking out a personal loan, and they went on to explain that most millennials don't have ... They used a phrase that I used in a video a couple of weeks ago. They don't have five hundred dollars for an emergency car repair, or a thousand dollars for a typical emergency room visit. That's crazy. That's exactly the same phrase ... They must have been watching the video.

I'm also a little stunned that this many people are still operating without a safety net. If you're going to swing from a trapeze, or if you're going to be an American, you got to have a safety net. You have to. You have to, have to, have to.

We talk about having a safety net before you start investing money long term for the market, but there's still a lot of people out there driving by you in the street that don't have a safety net. That should worry you. This is the part that really makes me crazy, is that these are folks that are eighteen to twenty-nine. I mean, my sons are in that age bracket. They're all in their twenties. They all have safety nets.

I'm not putting the fault on these young people for not having a safety net. You know who this falls back on? The parents. Where are the parents? What's going on? These

people don't know anything, and they have to take out a personal loan? A personal loan, so they have to make payments on this. They have to pay interest on this money. It would be far better for millennials, and age, to call up their parents, call up a friend and say, "I need a thousand dollars. Can you help me out?" Just take that money and put it in the bank if you don't have it.

Then make payments on the side to get the money back over the next six or twelve months, but have a safety net. Have a safety net today. That's really important.

There's something else in this market watch article that totally gets me really worried. It said that a lot of these personal loans are going through places like Lending Club. What's scarier is that JP Morgan announced that they're going to acquire nearly \$1 billion dollars worth of personal loans from Lending Club.

In 2005, in 2006, ten years ago, maybe everyone's forgotten already, but we had these things called subprime loans, and there was a lot of shady lending going on. That's a really bad symptom of some things that might be spinning out of control in the market. But look, I'm putting this back on the parents. Talk to your kids, educate them about having a safety net. It's very very important.

All right, Casey. What do you have for number two?

Casey: I got something in the mail about adult education, it's a financial planning course. Do you think it's worth it to go?

Tom: I think it's definitely worth it. In fact, we get them all the time. My wife and I get them all the time at home. In fact, in preparing for this video ... I keep them. I dug this one up, which we got just a few weeks ago in the mail.

They're adult education courses, they're based in financial planning, they're usually something you have to pay \$39. That's what this one costs, \$39. This one was at a local high school here in Monmouth county, and they're going to talk about planning for retirement, retirement needs, social security, investing, estate planning, things like that. It's really great.

A couple of things you have to understand. You have to pay for it, and most of the information is available online, but you have to sift through a lot of junk online to get the actual right answers. This may be a shortcut. It might be worth your time. The other thing that you really need to understand is that it's usually taught by a life insurance sales person, or a financial planner. Expect to get some kind of marketing ... I would assume that they're going to try and reach out to you once the class is over to try and talk to you about different investment products. It's not a bad idea in terms of marketing for potential clients. This one says its for adults aged fifty to seventy. That's a pretty broad group.

Maybe what we ought to do is get the parents to go to these financial planning courses and then talk to their kids about having a safety net. Then we took care of both

questions today in one fell swoop. We'll send everybody to a financial planning course.

A lot of this stuff is available online. A lot of this stuff is really common sense, but if you don't know a whole lot, and you have some time and \$39, go. I think it'll be worth it.

Okay. That's what we have for you today. We're looking for good questions, so send them on off to us. You can find us on Twitter, LinkedIn. We're starting a Facebook page. You can of course E-mail us. You know what? Plain old telephone still works. Pick it up and call us. 732-223-9000. We're definitely going to have a couple of nice Mets to talk about in episode twenty, so tune in then. Thanks for watching.