

Tool #6: STOP BORROWING MONEY

Stop borrowing money, except for property that appreciates in value:

- Kinds of debt (in order from bad to horrible):
 - Secured (property or assets): vehicle loan, mortgage, personal loan with collateral (**bad**).
 - Unsecured: revolving or credit card (**worse**).
 - Self-debt: (borrow from your own 401k, IRA) (**terrible**).
 - Payday loan stores: (beyond terrible – **horrible**; do not do this, ever, under any circumstances).

There is no practice more dangerous than that of borrowing money.

George Washington

Here are a handful of reasons why borrowing money a bad idea:

Is there any reason why I should NOT borrow money from a family member or friend?

Is it ok to borrow money (perhaps from Verizon, AT & T, or another major carrier) if I really, really, really, really need a new cell phone?