

Your Money with Suze Orman
January 15, 2009

Oprah: Welcome to night number four of our Best Life Week webcast. We're just thrilled that hundreds of thousands of you have pulled up a chair in our worldwide Web classroom. It's money night, and the smart-as-a-whip Suze Orman is here to answer your questions live. 2009 is the year for change. There's never been a more critical time to change the way we manage our money. So Suze is so serious about helping people in these tough economic times, that last week, this is what she did. She offered her new mega best-seller, *Suze Orman's 2009 Action Plan*, for free. Yes. The "free" word.

Suze: We did.

Oprah: On Oprah.com. And over 1.4 million of you downloaded that book.

Suze: I love that.

Oprah: Don't you? Thank you.

Suze: I love that. I was disappointed that 2 million people didn't download it. That was my goal. Honest to God. And why didn't you all download it more? You should have all called your friends. You still can. You have a few hours to do so.

Oprah: You have a few hours because for two and a half hours actually it's still going to be for free.

Suze: And it was like I really thought that 2 million people would at least do it.

Oprah: Well, I think 1.4 is an enormous amount of people—people.

Suze: Yes, but my personal goal was 2 million people.

Oprah: Two million. Well you're going to end up selling that many. And this is what's so interesting. How does your publisher agree to do that? Who—how does your publisher say, "Yes, let's give away 1.4 million or a million or 800,000 or whatever." How did you get the publisher to agree to do that?

Suze: Because that's a publisher that understands that at a time like right now, even the book, I have to say—

Oprah: Yes.

Suze: Even the book is \$5. You know, you go on Amazon.com, the book is \$5 now and 69 cents. They've discounted it. Everybody is selling it for that that is selling it because how can you at a time like this make money off of people that are suffering? So when you're a financial person, you're writing a book, you can't up with a hardback book that's \$24. They don't have \$24 today. People don't have any money to do anything. So give it away for free and then eventually, you know, the publisher has to make some money somewhere for having done all that, so—but even at \$5, so don't go out to have a cup of coffee and get a book.

Oprah: And get a book. Don't go out to have a cup of coffee. We'll be talking about that in a moment.

Suze: People wrote me about that too.

Oprah: Okay. In a few minutes, we'll be taking your calls live. The number is this on

your screen—866-677-2496. That's 866-OPRAH-XM. I never do it well with the—with the letters. So it's always better when you just have the numbers—866-677-2496. On our best life money show, Suze asked all of us to take a pledge, remember this? First, she said don't spend money for an entire day. Second, don't use a credit card for a week. And third, don't go out to eat for a month. Now the last one was tough for a lot of you to swallow, apparently, and we heard from several very fired up restaurant owners who have a bone to pick with Miss Suze. So Jeffrey is the owner of something called Plan B—Plan B Restaurant on the Jersey Shore. Jeffrey, we're giving you the floor.

Jeffrey: Hi.

Oprah: How are you? What do you want to say to Suze?

Jeffrey: I was watching the show last week and—

Suze: First of all, hi, Jeffrey. Hi, Jeffrey.

Oprah: Okay.

Suze: I want to say hi to you, Jeffrey.

Jeffrey: Hi.

Suze: There you go. All right.

Jeffrey: My mouth fell to the floor, and I'm like, "How irresponsible!" I started this restaurant a year and a half ago. I'm barely getting it off the ground and now I'm being told don't go out to eat. How can I support my family, have my employees support their families if nobody's coming in to eat? I'm in a town that's just starting to develop, so it is everything at one time, and now I'm sitting here and

nobody's here because you're telling people not to go out to eat. There's got to be better ways for people to save money than not going out to eat. Like maybe don't go to a sporting event and let the football players make \$5 million a year instead of \$50 million a year.

Suze: So I get that. I get why you would feel that way. But before we talk about people going out to eat, can you just tell me, don't you agree that the United States of America right now, Jeffrey, is in serious financial trouble? Do you agree with that with me?

Jeffrey: I agree. I'm in serious financial trouble myself from starting the business. I understand that.

Suze: And do—I just have to ask you this. When's the last time you went out to eat?

Jeffrey: Um, probably once a week because that's when I have my daughter and I take her out for dinner on Monday nights.

Suze: And you do so. And do you have credit card debt, Jeffrey?

Jeffrey: You don't want to know. Yes.

Suze: You do. And how does that make you feel? I'm just asking you this. It's like you have this credit card debt, you don't know if you can pay it, your business is suffering. Trust me, your business isn't suffering, Jeffrey, because I said for just 30 days don't go out to eat. And I just have to say this also to you. You do know that—I mean, have you been watching the webinars here? The webcasts?

Jeffrey: No, because I'm usually working.

Suze: Just even on Tuesday night, Dr. Oz sat right in this chair here and said, "You know, to change a habit, to truly change a habit, you have to not do something for 21 days."

Jeffrey: And I don't disagree with that. However, why pick on the small business person? Why pick on the restaurants who are already seeing a downturn because people are eating out less already. People are ordering differently. You know, and I'm doing what I need to do so that I can get people to come in the door. I'm changing my menu prices to lower some menu prices so that people can come in. But why not go after an industry that's already flush with money and let them take a little bit of a downturn when the restaurants really can't.

Suze: There aren't any industries right now, I hate to tell you, that are flush with money. Retailers are going down the drain. The car industry is already down the drain. And the reason that I said, "Please don't go out to eat for days," and this is just my experience, is this: When I look through everybody's expense sheets, when they come on the show, my own show, I go through every single detail. One of the largest expenses that I have found that people are spending money on when they have serious credit card debt, they don't have any money saved, is they're going out to eat. And that is—that is not

an—in my opinion, that's not a necessity of life. When—you know what it feels like to have credit card debt. You know what it feels like not to be able to pay your bills.

Jeffrey: What's going to happen is then you're going to have—so I have nine people that work for me. If people don't come here for one month to eat, that means they're not going to get paid. If they're not going to get paid, they're not going to have any money to pay their bills. It becomes a vicious cycle.

Suze: That's true of every industry out there. That's how the United States of America got into trouble.

Jeffrey: There are other industries that can better afford for people to not support them than a small business. You know, for us, I can't, as a start-up business, I've only been open for a year and a half, and I can't afford to not have someone coming in for a month. Maybe if I'd been established for 10 years and had a—a bank roll behind me for it, that would be fine. But for a new start-up business that got hit hard by this economy in Asbury Park, which is this great little town that's trying to come back from years of just poor management and, you know, bad economies—

Suze: Jeffrey, you never should have opened up a business a year and a half ago that you couldn't afford to open up. And I'm just going to be honest with you, you know, that's the Suze Orman way. That it wasn't a good economy a year and a half ago. I have been telling everybody—

Jeffrey: I—

Suze: Listen to me, Jeffrey. Listen to me. Because the only thing that I'm trying to do is to help people save themselves. We're in a bad economy. People are losing their homes. People are living in their cars. People can't do anything. And those are the people that I was talking to.

Jeffrey: So why not tell people to cut back and cancel their cable? Why not tell people—

Suze: I have.

Jeffrey: —to stop going to sporting events and—

Suze: I have.

Jeffrey: Tell people not to—you know, to get the movie theaters to reduce their movies and get the movie stars to make less money so there's more money to—

Suze: Jeffrey, again, I want you to listen to me. I didn't say, "Never go out to eat again." I simply said for 30 days—and you can choose that 30-day period. It wasn't like America in the next 30 days was all going to stop.

Oprah: Are you saying, Jeffrey, that you were affected by Suze saying that? Did you notice a difference?

Jeffrey: I definitely—people have definitely said, "Oh, well, we can't go out to eat now." And, you know, I know that I'm struggling and starting to build a business. It's finally starting to get momentum. I'm getting a fine reputation in town. I'm hopefully getting Zagat's in here to rate us so we can finally move ahead, and I don't—I have enough pressures from my own financial problems.

Oprah: What kind of food do you serve?

Jeffrey: Kind of innovative American cuisine. I've changed my pricing structure. I do a four-course dinner during the week for \$25.

Oprah: You said people are ordering differently. How are they doing that?

Jeffrey: People are looking for lower-priced items. We're not selling the \$30 item. We're selling the mid-20s. I have a very small menu. We only have five items. Five entrées, five appetizers. So we have a very small menu, and we change our menu every month.

Suze: Okay, Jeffrey, let me—let me do this for you. This is—this is the statement that I'd like to make to everybody. And I'm going to stick by this statement. If you have credit card debt, if you don't have eight months of an emergency fund, if you are behind on your car payments, if you're about to lose your home, if you don't think that your job is going to be stable, I would like you to stick by the pledge and, please, make every penny count. However, if you're out there and you have more money than you know what to do with, you have a retirement account, your job is secure, it doesn't matter even if you lose your job you have more than enough money, go out to eat every night. Go and spend money everywhere. In fact, take all the friends with you that can't afford it. I actually have eaten out almost every single night since that broadcast. Do you know that?

Oprah: No.

Suze: I gained 10 pounds because of it, but that's besides the point. I have eaten out almost every night and I've taken friends. But I'm going to stick by my statement here and then we're going to move on, my dear Jeffrey, that we were talking that day, in that audience, to a few hundred people that had \$2.3 million of credit card debt alone. \$2.3 million of credit card debt alone.

Oprah: For the audience you were speaking to.

Suze: For the audience.

Oprah: The studio audience.

Suze: Three hundred people?

Oprah: Yeah.

Suze: Three hundred people, Jeffrey. When you have credit card debt and you can't do it, here's what's going to happen. I'm just going to put this out. If you read the papers today, Bank of America can't make it. They have to borrow more money. The banking industry is going down. Somebody comes in, they put money—they charge a meal on a credit card. They go home, all they can pay is the minimum payment. What happens? Then they get in trouble.

Oprah: They're still paying for that meal months later.

Suze: Then what happens? They claim bankruptcy, the taxpayer ends up paying for it. Why? Because it's the taxpayer that's giving all these banks all this money now. So all I'm asking you to understand, I'm not attacking the restaurant industry. The one place that I have found, looking at expense sheets over and over again, one of the largest expenses is people go out to eat unnecessarily. And I just want them, rather than going out to eat seven nights a week, learn how to break a habit and maybe they go out once a week later on. But the way many people were doing it, Jeffrey, in my opinion, was irresponsible. Restaurant industry, I apologize to you. I want you to succeed forever. And maybe if we could get this under control, your business, Jeffrey, will be there years from now. If people keep doing things they can't afford, Jeffrey, with or without me, your business would go away.

Jeffrey: I hear that.

Suze: There you go, boyfriend.

Oprah: Okay, boyfriend Jeffrey. Thank you. Thank you. That's Jeffrey from the Plan B. Restaurant. Now everybody—okay, everybody who's in the area, go to Plan B tomorrow.

Suze: If you have the money.

Oprah: If you have the money. And take your friends.

Suze: And, Jeffrey, you should stop eating out. You have credit card debt. Stop eating out, Jeffrey. You cannot afford it. Sorry.

Oprah: Sorry.

Suze: But it's true.

Jeffrey: Where am I supposed to take my daughter, then?

Suze: To your restaurant.

Jeffrey: She lives an hour away.

Suze: Oh, please.

Oprah: Okay. Thank you, Jeffrey. Thank you.

Suze: Wait, wait, I just have to say something. That's the point what he just said. "Well, what am I supposed to take—where am I supposed to take my daughter?" Make her food. Go to her house and sit down with her and have a conversation one on one with her and bring her something from your restaurant. Why do we always have to go out to do something?

Oprah: Well, Jeffrey could make her some because obviously—

Suze: Yes, that's my point.

Oprah: One of the five things from the menu. One of the five things from the menu. Thank you, Jeffrey. That was very interesting.

Suze: And I am sorry, restaurant industry, but it is the truth.

Oprah: Okay. That is the Suze Orman way. Truth.

Suze: It is the truth. It's we—and that's what this whole thing is about right now. All of us being honest with what can we spend—

Oprah: Haven't we been saying that? That this is in our faces for a big reason. Somebody said yesterday, Elizabeth Lesser said when we had a financial question and she was saying, tonight obviously we were going to be talking about it in detail, but that we've been in a trance, America. We've been in a trance.

Suze: Yeah. And even the government's been in a trance.

Oprah: Yeah.

Suze: The banks have been in a trance. The mortgage industry was in a trance. The real estate industry was in a trance. And look at what's happening. People are living in their cars. And you know what? They're writing me is the they're afraid that the car dealers are going to find out where they're parking because they're going to repossess their home, which is now their car.

Oprah: Wow.

Suze: And that's what it's come down to. It's like we've lost America, Oprah. It's very sad. Now, we have hope coming.

Oprah: Yeah.

Suze: In just five days.

Oprah: Yes.

Suze: We have hope coming.

Oprah: Yes.

Suze: But it's going to take years to turn this around. And it's got to start with being honest with yourself.

Oprah: So last week Suze talked about credit cards. How to pay them off. And how credit card debt affects your FICO score. We have several folks on Skype tonight with specific questions about that. So first up, Danielle, hi there. You're on Skype from Vancouver? Danielle?

Danielle: Hi, Oprah. Hi, Suze.

Oprah: Hi, hi, hi.

Danielle: Hi. Happy Best Life Week.

Oprah: Happy Best Life Week to you. And your question for Suze?

Danielle: My question is regards to credit cards, and I have two credit cards right now that are airline point cards and I pay \$120 annually to keep these cards. I've never carried an annual balance ever, and I've had both of these cards for about eight years. Now, I do want to cancel one but Suze told me that I should not cancel it because it will hurt my FICO score. Now, knowing that I want to buy a house in the next couple years, is it worth me paying \$120 for the next couple years to keep this card open so that I have a good credit history?

Suze: So let's be clear. You currently don't carry any balances on any of your credit cards. Is that correct?

Danielle: Correct.

Suze: Correct. If you have absolutely no debt whatsoever, then it will not hurt your FICO score if you cancel that card. If, on the other hand, you're out there and you are watching right now and you happen to have credit card debt that you carry on your cards, then you should not cancel a card because that will hurt your FICO score. So I can explain that to you very quickly right now. But for you, Danielle, for \$120 a year, are you kidding? You cancel that card. That is a lot of money. You could go out to eat at Jerry's (sic) restaurant for that. But that's besides the point. But let me tell you why, all right? Thirty-five—or 30 percent of your FICO score is made up of something called your debt, what you owe, to your credit limit ratio. The credit limit that all these credit cards give you. So, Oprah, let's say she has five cards. Or let's say you have five cards, everybody. Each with a \$2,000 credit limit. That's a \$10,000 credit limit. If all you owe is \$2,000 on this one card, and let's just say you did, \$2,000 debt to \$10,000 credit limit is a 20 percent debt to credit limit ratio. That's fine for your FICO score. However, if you close down these four cards, you would owe \$2,000, you have a \$2,000 credit limit, that's 100 percent debt to credit limit ratio. Down goes your FICO score. So since Danielle doesn't owe any debt on any of these cards.

Oprah: Which is a beautiful thing.

Suze: Even if she closes it down, she still has a 0 percent debt to credit limit ratio, so it won't hurt her. Do all of you understand what I just said? So for your case, Danielle, get rid of that thing right now.

Oprah: Gotcha.

Danielle: Okay, thank you.

Oprah: Thank you. Thank you, Danielle. Kimberline—that's great.

Suze: That's how that works.

Oprah: Kimberline is traveling for business and joins us on Skype from her hotel room in

Dallas. Your question, Kimberline?

Kimberline: Hi, Oprah. Hi, Suze.

Oprah: Hi.

Kimberline: I am concerned with a letter that I received from one of my creditors stating that my account is about to be closed due to no activity. And what I want to know is, will that affect my FICO score?

Suze: All right. So, did you hear what I just said? The question is, do you carry any debt on any of your credit cards that you do not pay in full at the end of the month?

Kimberline: There are two credit cards that have balances.

Suze: All right. So that's—that's a yes. That's a yes.

Kimberline: Okay.

Suze: You know, and so how much debt do you carry?

Kimberline: It's under \$1,000. Maybe \$800.

Suze: All right.

Oprah: That's good.

Suze: And the card that they're about to close down, what is the credit limit on that card?

Kimberline: It's a \$5,000 limit.

Suze: So most likely, yes, it will hurt your FICO score. Because that is a large credit limit, and when you're taking away \$5,000 of a credit limit and you still have the \$800 of debt and you only have a few other cards and maybe your other cards don't have that large of a limit, so the bottom line there, it will hurt your FICO score. Now, what you could do if you wanted to is go open up another credit card with a \$5,000 credit limit if somebody will allow you to do so. And if they do that and they close this down but you have that there, you're fine no matter what. Now you know.

Kimberline: Okay, thank you.

Suze: Are you sure? You're looking at me like you're not clear.

Kimberline: Well, no, I was wondering because I have other credit cards that are open but they have zero balances and the two that have a balance are about to be paid off this month.

Suze: All right. So, again, though, when—as long as you are carrying a balance, if you didn't have that \$800 balance, it wouldn't matter. But because you have an \$800 balance, it matters. If I were you, I would try to get rid of that \$800 balance sooner than later, and then you should be relatively just fine.

Kimberline: All right, I will do that.

Suze: There you go.

Oprah: Traveling for business. Thank you, Kimberline. We have Richard from Tucson, Arizona, on the phone. Richard, go ahead.

Richard: Both Suze and Oprah I have to say, first of all, I know your time's valuable, but when the universe named angels they named Oprah Winfrey and Suze Orman. That's for sure.

Oprah: That's so nice.

Richard: My question is, I was laid off two weeks before Christmas. Did not know this was coming. And received a severance package. Suze, what do you recommend that I do with this severance package money?

Suze: First of all, hopefully you've put away the taxes that will be owed on the severance money, because that is taxable to you. And number two, we don't know how long it's going to take till you get another job, correct?

Richard: Pardon me? I couldn't hear you.

Suze: We don't know how long it's going to take before you get another job. Correct?

Richard: Correct.

Suze: So if you were to do something, let's say you invested the severance money. Would you be able to last at least eight months paying your necessities of life, your rent, your mortgage, your car payment, your food?

Richard: I would probably say probably a good five to six months.

Suze: Five to six months in this economy is not enough. This is an economy where we have a 7.2 percent unemployment rate. This is an economy where most likely you are going to see the unemployment rate go up to 8, 9, possibly even 10 percent. So in this type of an economy, please keep your severance safe and sound. I would put it in the highest-yielding savings account, CD I could find. I would not be investing in the stock market with that money at this point in time under any level. Keep it safe. Keep it sound. Don't do anything with it. And here's the reason why besides that. You have to get yourself another job. For you to get another job, you have to walk in and somebody has to be attracted to you to hire you. What attracts somebody to you to say, "Here's—you take the job"? When they feel powerful in your presence. When they feel secure in your presence. When they feel that you are going to enhance them. And if you are worried about money, if you are scared because you have credit card debt, if you don't know what to do—

Oprah: Wow.

Suze:—you are shaking whether you know it or not. And the person that you're sitting with, whether you have the most magnificent résumé or not, they don't look at the words. They feel what they feel when they're in your presence or on the phone with you. So make yourself powerful with what you do.

Make yourself secure, and a job will be attracted to you because of who you are. That's the goal. There you go.

Oprah: Wow.

Richard: Wow.

Oprah: That was angel talk right there.

Richard: Wonderful advice. You boosted my confidence level off the radar screen.

Oprah: Yeah. That's really, really good Suze. My eyes watered a little bit there because—really. You know why, Richard? Because that is so true. You know the truth when it resonates with you because you can't attract what you don't have.

Suze: That's right.

Oprah: That's right. And so when you walk in feeling unconfident or feeling, as Susan said—as Suze said, shaken, people sense that even though they don't know that's what they're sensing.

Suze: Yeah. Remember, Oprah, in all the years we've been doing these shows, I would always say, "Power attracts money and powerlessness repels it." Why is that? Power—money flows through people. Money—people are the ones who go out and earn a paycheck, spend the money, save the money, invest the money. You know, it's a person who hires you. It's a person who fires you. Money can't do anything without people.

Oprah: Right.

Suze: So when, you know, if—people are attracted to power. People want to be around powerful people.

Oprah: That's right. That's right. That's what you sense when you hire somebody. Yes.

Suze: That's right.

Oprah: Yes.

Suze: And so when you don't have money and you have debt and you're afraid, you've rendered yourself powerless.

Oprah: Yes.

Suze: And then you repel people. And since people control money, you repel money too.

Oprah: Richard, thank you so much.

Suze: Bye, little angel boy.

Richard: Goodbye.

Oprah: If you have a question for Suze, call the number at the bottom of your screen—866-677-2496. Now we have Tisha on the phone from St. Louis. Tisha, hi.

Tisha: Hello.

Oprah: Hi.

Tisha: Hi, Oprah and Suze. Thank you so much for all that you do. My question is, is I was wanting to loan against our life insurance policy. I wanted to know what Suze thought of that. I was thinking right around \$10,000 hopefully just to kind of get us back on our feet, our business went under, my husband's been working out of state, actually in Chicago, and so we're trying to get back on our feet and I just wanted to know what your idea about loaning against a life insurance policy.

Suze: Can you tell me the interest rate that they're going to charge you? Is it 8 percent?

Tisha: I don't—I don't know that for sure. I had just actually heard that you could do that. I didn't even know it was an option, and I kind of wanted to get your advice.

Suze: Is that the only option that you have? You have nothing in savings—retirement plans are not an option here. So you have nothing—

Tisha: The only other thing we have is in our 401(k). But what you said last week, it didn't sound like that would be such a good idea.

Suze: You're not going there. If this is a dire situation, you have no money, it's not just to make your life easier. It's not just so that, you know, you have some money around. If you literally cannot pay your bills, you don't know where you're going to be able to get the money to be able to go to the grocery store to buy food, to pay your electrical bills, whatever it may be, oh, you most certainly can make a loan from your life insurance policy. I do not have a problem with that whatsoever.

Tisha: Do you think that's better than taking out, say, like a debt consolidation loan?

Suze: Yes, I do. I have to tell you. I think borrowing from a life insurance policy for these circumstances, there's nothing wrong with doing that.

Tisha: All right.

Suze: Okay?

Tisha: Well, thank you again.

Suze: Don't sound sad about it, though.

Oprah: All right.

Suze: You should sound happy that at least you're one of the lucky ones, my friend. You're one of the lucky ones that have something that you can borrow money from. Do you know how many people are out there that they don't have a life insurance policy, they don't have a 401(k), there is no equity in their home, they owe money on a car, they're underwater in everything, they don't have any relatives or friends or anybody to go to. Oh, you are sitting pretty.

Tisha: (Laughter.)

Suze: There you go.

Tisha: Thank you. I'm thankful every day. I have a thankful journal and, you know, I really just keep our vision that all will be well because I truly believe that, you know, that higher source only wants peace in the world. So thank you.

Suze: Yes. But then if you really believe that, I just have to say this. Please watch the tone of your voice. Watch what you convey when you say something because as I've been saying a lot lately, this world needs our laughter. This world needs our positive energy. So when somebody says to you, yeah, go ahead and do something, give it to them. "Yes. Thank you. I can do that." Give the world your power right now because everybody feels so powerless.

Tisha: I will. Thank you again.

Oprah: I like I will. Thank you, Tisha. So Kelly's from North Carolina. North Carolina. A little warmer down there than it is up here. Hi, Kelly.

Kelly: Hi, Oprah. Hi, Suze. Thank you so much for taking my call.

Oprah: There you are.

Kelly: The reason I am calling is I'm in the same boat that a lot of other people were in watching your 401(k) tank, and I'm at about half of what I was when I started the year out and my question has to do with the money that's sitting in my 401(k) right now. I have more than five years to go before I retire,

unfortunately, but I thought, you know, based on, you know, everything that you hear that I should just sit on that money where it is and ride it out because of the whole cost averaging. Well, other people are saying to me, "Oh, no, now is the time to actually take your money and move it around into our funds, because you can take advantage of the lower prices and get more shares." So I'm just kind of confused as to what I should do.

Suze: All right. So let's first, Kelly, let me just briefly ask you this. You just said, "Unfortunately," you have, you know, more than five years till you retire.

Oprah: I noted that too.

Suze: Right. That's one way to look at it. But here's the ones that are really unfortunate. The ones that are still down 40 percent in their 401(k)s just like you but they have to retire in one or two years, so there is no time for them to make up the losses that they sustained, and now those are the people that really are in trouble here. You, fortunately, my dear Kelly, have more than five years till you retire and yet you don't see it that way. So first of all, I'm just asking you to just think about what I just said and—

Oprah: Change the paradigm.

Suze: It's fortunate that you have five, 10, 15 years to go because that's what we need to recoup the losses that have been sustained in this market, number one. Number two, if you are invested in a 401(k) plan, you have to know what you are invested in. And why you are invested in the investments that you happen to have. Now, all 401(k) plans usually have mutual funds and/or the company stock that you happen to be working for. One big mistake that many of you make is 100 percent of your money is in the company stock of your 401(k) because you think that's the way to go. You should not have more than 10 percent of your money within a 401(k) in your company's stock. Number two, if you have good mutual funds currently within your 401(k) that are down considerably and you have at least 10 years or more, preferably more, until you need this money, then I don't have a problem with you continuously to dollar cost average putting a little amount of money every single month into those same funds. If those funds are not performing for you because they're just not good funds, they're down more than the overall markets, maybe you want to switch to better funds within your 401(k). Just don't do things because your friends tell you to do things. Do things because it makes sense to you. So my— one of my sayings to you tonight is this: It's better to do nothing than to do something you do not understand.

Oprah: Mm-hmm.

Suze: So if you don't know what to do, then it's nothing wrong with in this type of a market to put your money in your 401(k) every month into a stable value fund within your 401(k) where it's like a money market so that at least you get an interest rate until you can figure it out. Did that help you?

Kelly: Yes, it does.

Suze: I don't believe you.

Kelly: Well, no, it really does. I mean, right now I made sure that I diversified within my 401(k). I have international funds, national funds, I have large cap, medium cap, small cap, a little bit of—of the balance funds, and I—you know, I thought the funds were doing really well right up until, you know, the market tanked. You know, I had done some research. They had really good Morningstar ratings on them and I felt really comfortable with it, which is why I was surprised when people were saying, "Oh, no, now is the best time to move things around," and it's like so many people had saying it maybe, you know, I'm not thinking this out properly and sitting on it really isn't the logical thing to do. So I'm beginning to question myself.

Suze: So I know you called in about mutual funds.

Oprah: Mm-hmm.

Suze: But the point that I'd like to make there that she's saying is that sometimes we're doing the exact right thing. And then everybody else starts talking about it and we start doubting—

Oprah: Yeah.

Suze: —our own actions.

Oprah: Wasn't that your advice to me? Because I called you and asked—because the book wasn't done yet and I said, "Could you please get me the book now? I need that book because I'm sitting at the end of the year with all of my money advisers and they're saying one thing and I'm feeling another thing," and you, like, in great big e-mail letters said, "Follow your own mind."

Suze: Yeah because, Oprah, it's your money.

Oprah: Absolutely.

Suze: It's my money. It's Kelly's money. It's all of your monies. And there's an interesting thing when it's your money. It's like you have this connection with it because you earned it.

Oprah: That's right.

Suze: And because you earned it, you have a feeling about it that they can't feel. So today here at Harpo we gave a seminar, as you know, to many of the people who work for you. Do you know how many people came up to me and said, "Suze, right before the market went down, I called my financial adviser and I said, 'I want to come out of the market totally.' And the response was, 'You can't come

out of the market. Please, these markets are great, da, da, da." And she said, "No, I really want to come out. I can feel it." And the adviser said no. Guess what? She's now down 40 percent.

Oprah: Forty percent. Yes.

Suze: Listen to yourself.

Oprah: And that is the worst kind of pain.

Suze: That's right.

Oprah: That's the worst kind of pain because you already knew. You knew. Or you felt it. You felt it and didn't follow your own voice.

Suze: Yeah. So then the question is, whose voice is that?

Oprah: Yeah.

Suze: Is that your own voice? Is that even possibly going to last night's conversation, the voice of God even guiding you what to do in that situation—

Oprah: Yeah.

Suze: —who knows what it is. But when you doubt that, you have now given yourself the greatest insult ever. And you have to learn a lesson, because otherwise when it really matters and you don't listen—

Oprah: Right.

Suze: —oh, my God.

Oprah: Yes.

Suze: Oh, my God.

Oprah: Yes.

Suze: So if you listened and you came out of the market—

Oprah: But I have always followed that rule that you're talking about. And I know that I'm in a different category and you're in a different category than the people—

Suze: But always we weren't in a different category.

Oprah: But always we weren't in a different category. And I will say the reason I've done so well through all of this because I was cash heavy being advised by all of my folks not to be. You know, everybody's saying—and I always followed that rule that you're telling everybody else. If you don't understand it, if you don't understand it, then don't do it. Then don't do it.

Suze: That's right. And for me, because you know, I have money. But when you have money, you don't want to lose your money.

Oprah: Absolutely.

Suze: And I don't even care about having more money. I just don't want to lose money I have.

Oprah: Lose the money you have. That's—

Suze: That's all I want. So all of my money starting quite a few years ago was in municipal bonds, as I told all of you two years ago. And the newspapers attacked me. People attacked me. "You should be in the stock market. You shouldn't be in municipal bonds. What's Suze talking about municipal bonds?" Well, guess what, everybody. That's the only thing that worked out. But I didn't go into municipal bonds because I knew the markets were going to go down.

Oprah: You went into the municipal bonds—I call it my "Bag Lady Fund."

Suze: They make me—I'm happy, and when I'm happy I'm powerful and when I'm powerful, what happens? I get more speaking engagements. I make more money. I earn the money.

Oprah: Right.

Suze: So—

Oprah: Because you're not trying to make a lot of money on the money that you have.

Suze: That's right.

Oprah: You're just trying to keep the money that you have.

Suze: Yeah. Just a thought, everybody.

Oprah: Just a thought. Okay. Thank you so much. That was Kelly on the phone. Raleigh, North Carolina.

Suze: Thank you.

Oprah: So so much of what you're talking here tonight is really about changing the way you think about money—

Suze: Yes.

Oprah: —and changing the way you even present yourself about money in the world.

Suze: Actually, what I'm talking about is changing the way you think about yourself. And understanding that money isn't what makes you happy. If you—it's money—if you have a lot of money, it doesn't mean you're going to be happy. All right?

Oprah: Absolutely. Nobody believes that until they get the money and realize it.

Suze: I'll also tell you lack of money sure will make you miserable. That I'm there for you. But what's interesting is that if you're not happy, however, you will never really ever have a lot of money. Because you have to be one with yourself. And when you're one with yourself, you make the right moves at the right time saying the right thing, and you just have this energy that then money starts to come to you. If you're not happy and you have money, I've got news for you. Your money will go.

Oprah: Now you speak so powerfully about credit card debt. Were you ever a person who was in credit card debt?

Suze: Are you crazy?

Oprah: I'm just asking.

Suze: Are you crazy? Remember my story, which is that—here's why I talk—you just said I talk so powerfully about it.

Oprah: Yes, you talk so powerfully about it.

Suze: You can't be powerful about something—

Oprah: What you don't know.

Suze: —unless you haven't experienced it firsthand. So from 1987, you know, I had gotten ripped off by one of my employees. The story's in the book. And I was going out with somebody who was a seriously wealthy person. And I wanted to impress this person. And I wasn't as wealthy as this person.

So I kept spending money, I would take money out of my 401(k) plan to buy this person gifts. I would do everything. Before I knew it, I was \$250,000 in debt.

Oprah: \$250,000 in debt.

Suze: In debt. Credit card debt, everybody. And the reason that I was able to be so much in credit card debt is I was making a good living.

Oprah: Mm-hmm.

Suze: And all these credit card companies were willing to give me this, give me that, and before you knew it, you had all this debt. And I realized sitting at a Denny's in Emeryville, California, that the woman waiting on me had more money than I did.

Oprah: Wow.

Suze: Because there was no way that she had the amount of credit card debt I had. I had a leased BMW sitting in the parking lot—\$800 a month for that. My life was hocked to the hilt, and everybody thought I was this fancy-schmancy financial adviser and then I didn't have the money to pay a ticket. I'm on the Bay Bridge coming home and I get pulled over, and I started crying because I didn't have \$40 to pay a ticket.

Oprah: You were living a lie.

Suze: A big lie.

Oprah: Yeah.

Suze: And that's how I learned all this. That's where all this comes from, everybody. So you may sit out there and you may go, "Oh, we have a lot of money and da, da, da." Don't you understand? We're not a lot different than you. We are who we are today. But you never change on the inside. And so the lessons that I've learned are just lessons that I'm trying to share with all of you.

Oprah: Yeah, well, I mean Jerry (sic) was saying you're this big shot making all this money now and therefore—hi, Jerry, (sic) we'll be talking about you until tomorrow. Jerry (sic) the restaurant guy was saying you were a big shot with all this money telling people who have these small businesses—Jeffrey, I'm sorry.

Suze: Jeffrey.

Oprah: Yeah.

Suze: And the posts—I just have to go back to that for one second. The posts from the restaurant owners were so vicious. Do you not understand? I have to just say that what we're trying to do here is change the world to be a better place so that nobody has debt, nobody has to wonder how they're going to eat. Nobody has to worry about having a home to live in. Everybody can retire when the time comes. And all I'm asking all of you is to help me help you. All of us join together to help make this world a better place. And if that means we all have to stop spending money for a little bit because we can't carry the lies of debt on our shoulders anymore—

Oprah: The lies of debt.

Suze: That's what we have to do.

Oprah: Yeah, isn't it interesting, too, that people are so vicious in e-mail. I think—and not saying that you were, Jeffrey. We're not talking about you specifically. But a lot of the restaurant responses were very vicious.

Suze: Vicious.

Oprah: And mean and mean-spirited. And it's very interesting because people can do that in e-mail because there's not a face there. There's not a—don't you think?

Suze: Yeah, and I think their anger's actually misplaced. "Did Suze Orman suddenly create what's happening in the economy and bringing down the restaurant industry and the retail industry and all these things by saying to people, 'Can you just watch what you're doing for days? Can you just try to see what it feels like to be home with yourself as one? Rather than going out and escaping yourself?'" Which is what happens when you go out. And so it's funny, it's—it's—we're all just trying to fix this problem. Not blame each other for it. But anyway, okay, we can go.

Oprah: Barbara's Skyping from her bedroom—

Suze: It obviously bothered me.

Oprah: She's Skyping from her bedroom in Brooklyn, New York. What's your question?

Barbara: Hi, Oprah. Hi, Suze. I watched your show last week, and I heard you stress that we should pay down our credit card debt, which you're doing again tonight. But then later on in the show you stressed that we should have a reserve of like eight months. Well, my question is, what do you do first? Since it's hard to do both at the same time.

Oprah: Mm-hmm.

Suze: I love this question. So, my dear Robin—

Oprah: Barbara.

Suze: Oh, Barbara, I'm sorry. Barbara?

Barbara: Barbara.

Suze: What do I know, Barbara? I'm just good with numbers. Not names. But, Barbara, here's the question for you. Is there any risk that you are going to be losing your job?

Barbara: Well, I'm a consultant and when I work, I get paid. And just recently I was down on the bench for three months. And while I'm not working, I'm not getting paid.

Suze: Yeah. So—

Barbara: That was a big eye-opener because that never happened to me before.

Suze: Here is my advice. I'm having a little bit change on this for everybody, so listen carefully. Because as the unemployment rate really hit us hard in the last few days, if you think you're going to lose your job or if you're like a consultant like Barbara and God forbid something were to happen and you're down and you're not getting income, you need a stash of cash to live on because the credit card companies now, in their infinite wisdom, and I don't believe this is the wisest thing they could be doing, they are revoking credit cards, reducing credit limits, increasing interest rates to 32 percent, increasing the minimum amount paid from 2 percent to 5 percent. They are making it almost impossible for you to go to your credit cards as an emergency. You know, in my books prior to this I would always say, "Hey, you know, keep your credit cards open with nothing on it and if, God forbid, you get into an emergency, we can get money from a credit card." Well, guess what. You may not be able to do that anymore.

Barbara: Right.

Suze: So since you can't do that anymore, you need a stash of cash. So if you are afraid that you're going to lose your job or are in a situation like you, I would make it a bigger priority to create an eight-month emergency fund and pay the minimum here because if something happens to your credit cards, oh, we'll figure that out.

Barbara: Okay.

Suze: You need money to live on. On the other hand, if you're really secure in your job, you know everything's fine, and you are paying 32 percent interest rates on those cards and—and things like that, then you have to make it the number one priority to get out of credit card debt. But only if your job is secure.

Barbara: Okay.

Suze: I hope that's clear to all of you.

Barbara: Yes, it is.

Suze: There you go.

Barbara: I've got another question.

Oprah: Go ahead, Barbara.

Barbara: If you have a car loan where your interest rate is higher than your credit card rates, should you pay the car loan down first? And the other question is, on these different type of loans, like a credit card or a car loan, do they represent different things on your FICO score? Are they looked at more favorably, a car loan than a credit card, so you'd keep the car loan open and pay down the credit card?

Suze: What FICO looks at, and in a few minutes here we'll actually show you the mix of how a FICO score is actually looked at here, but they will look at that you have all different kinds of credit. They want to see that you can handle a monthly payment on credit cards as well as a fixed payment such as a car loan or a home loan, so they look at all of it, and that accounts for approximately 10 to 15 percent of your FICO score. Not that big of a deal. The real parts of your FICO score, the main things, 30 and 35 percent we'll talk about in a second. But if I were you, I would pay the highest interest rate car loan, student loan, whatever, down first and then go to the ones that are lower. However, I think you're going to find yourself in a situation very quickly where probably the interest rates on your credit cards will be increasing because why? Because, again, the credit card companies have till July of to do anything they want until the new laws come into effect where they have to be seriously responsible to you, so be very, very careful with credit cards right now.

Barbara: But what's happening with the credit cards that you take out on promotions that are guaranteed rates for the life of the loan?

Suze: There is no such thing. Listen to me carefully. There is no such thing as a guaranteed interest rate on a credit card. In the little tiny print that all the magnifying glasses in the world can never read, they can raise your interest rates any time they want until July 2010, when the new laws come into effect. But they aren't in effect until the next few months here like when the—you're looking at over a year and a half. So be careful here. Be careful.

Barbara: Okay. Thank you very much.

Oprah: Thank you, Barbara. Interest rates at 32 percent?

Suze: Shocking, isn't it?

Oprah: That is so shocking.

Suze: It's amazing it's legal.

Oprah: You're paying nearly a third.

Suze: Yes.

Oprah: It's unbelievable.

Suze: That's right. So what they are doing to many, many people across the board is you are actually getting a letter. And what they're looking at is not are you making your payments on time every

month. What the credit card companies are looking at is: Are you somebody that are paying the minimum payments every month? This is in my opinion what's happening, that are they paying the minimum payments every month and increasing the balance? Because if you're only paying the minimum payments every month, even if you're paying on time—

Oprah: Yes.

Suze: —and your credit card balance is increasing, that's indicative of somebody who is using their credit cards to live on, and eventually that person is going to get in trouble. So those are the people that are getting letters from the credit card companies that are revoking their credit cards saying, "We are closing down your credit card, you can't use it anymore, but we are increasing your interest rate to 32 percent."

Oprah: Wow.

Suze: Uh-huh.

Oprah: So it would be best to use the credit—to pay the minimum payment but not to continue to increase the balance.

Suze: The truth is, the best thing to do is to always pay more than the minimum payment.

Oprah: You've said that.

Suze: And decrease the balance because if you're only paying the minimum balance, you're never going to get out of credit card debt. It's going to take you years and years and years and—

Oprah: It's a trap.

Suze: —it's a trap. So—so this is the year to say, "I know the trap. I know how to avoid it." Be like a little mouse.

Oprah: That's right. Right.

Suze: You know, they see the cheeses in the trap and somehow they know how to go around there and get that cheese. That's how you've got to be.

Oprah: And then again you improve your FICO score when you pay more than the minimum payment.

Suze: When your debt goes down—

Oprah: Yes.

Suze: —to your credit limit, that accounts for 30 percent of your FICO score and that improves, therefore, your FICO score.

Oprah: Okay. Everybody's asking about FICO scores. Can you break it down for us what is a FICO score?

Suze: Yes.

Oprah: And how—and what compromises that.

Suze: You know, FICO scores, FICO stands for Fair Isaac Corporation.

Oprah: Yeah, Fair Isaac. Yeah.

Suze: And your FICO score is made up of the things you're all seeing on your screen right now. And again we talked about how 30 percent of your FICO score was, you know, made up of how much debt to credit that you have. Thirty-five percent of your FICO score, however, the most important thing is, do you pay your bills on time?

Oprah: Do you pay your bills on time.

Suze: All right? Fifteen percent is the length of your credit history. How long have you had credit cards? And if you close down a credit card that you have open for 15 years, that closes down your credit history. Another reason that I say be very careful about closing down credit cards and which ones you close. Ten percent of your FICO score is the mix of credit. What we were just talking about.

Do you have a car loan? Do you have, you know, a home loan? Do you have credit cards as well? So are you responsible in all types of situations? And 10 percent is applications for new credit. How are you doing? Are you making a lot of new credit out there? Are you applying for all of these things? So they're watching you very carefully to make sure you don't go FICO crazy and open up all of these credit cards and all of a sudden charge up to the hilt. So that's how your credit score or your FICO score is comprised.

Oprah: And I hear you have another offer for everybody watching and that is?

Suze: I do. And here's the thing, everybody. FICO has been around now for a number of years. It wasn't until 2001 that the public—they were able to get their FICO scores. For years the banks have been looking at your FICO scores. Credit card companies have been looking at your FICO scores. They have been out there forever that way, especially, you know, they came about in 1989, 1990. And in 1990, you know, they were mainly for credit cards. In 1995, home loans started to look at it. Fannie Mae and Freddie Mack got involved. Now everybody, for you to get a credit now, credit, and a good interest rate, you need a high FICO score. So you have to know what your FICO score is. You have to know what your credit reports say on it. You have to understand all these things. So a FICO score is given through MyFICO.com, and it's normally \$15.95 a FICO score. You have three FICO scores—one for every credit reporting bureau out there. There's Equifax, Experian and TransUnion. If you pay a car loan, it goes maybe to one of those. If you pay your home loan, maybe it goes to another. Credit card's another. So you have three FICO scores, one for every credit reporting bureau out there. You have to know all three of your FICO scores because when you go to buy a home, they look at all three. So, therefore, you have to get involved in this. Now like I said, normally a FICO score is \$15.95. Years ago, I partnered with FICO to bring you FICO scores in a way that you could understand them, to bring you coaching in these kits and things that we do, so—and normally that kit is \$50. That comes with three prepaid FICO scores, your three credit reports. It has a debt eliminator that literally goes onto your credit reports, pulls your credit cards off for you, lines them up in the order that you should pay them off so your FICO situation improves.

Oprah: Wow.

Suze: It has a coaching model on it that if you're going to buy a home, it tells you the interest rate that you will be qualifying for.

Oprah: Great. That's great.

Suze: And gives you the—you wouldn't be in the trouble you're in. Same thing if you're going to buy a car. It does everything for you. There's day to pay reminders in this kit. You set the date and you get an e-mail that says—

Oprah: How do you get it? Sign me up.

Suze: So here's how you get it. Right now on Oprah.com the FICO people, they're the ones offering this, they're offering it a I don't know how they're doing it, for a 50 percent discount to all of you. So it's approximately I guess \$25 or \$24. So if you are interested in knowing about FICO scores, learning about how to improve your situation, understanding your home, your car loans, getting out of debt, all these things, you should seriously take advantage of that because I think that's good for—is it today or just one week? What is it?

Oprah: Oprah.com/FICO, there you go. Oprah.com/FICO. And I don't know how long it's available. Our phone lines are lighting up. How long is it available, guys?

Dean: One week.

Oprah: One week. One week.

Suze: And that in itself is extraordinary. That's all I can tell you because that—I mean, again, I don't know how they're doing that. But if you're ever going to do anything, do that. Three—you need those. And it's good for one year. So you don't have to use them all today. You can use one today, one three months from now. Just get it and use it and—oh. Also I just have to say, also if there are mistakes on your credit report, that's what determines possibly a lower FICO score. And all these people have mistakes on their credit report. This takes you through every line of your credit report.

Oprah: I love that lining up your credit cards so you know in order—

Suze: It does it automatically for you.

Oprah: Wow.

Suze: It pulls it from your credit report line, and then you say how much you want to put per month toward this debt and it tells you exactly how much you should put toward your debt to get you out of debt the fastest. But also to improve your FICO situation the fastest.

Oprah: That's incredible. So our phone lines are lighting up. Thank you. And we'll try to get to as many people as we can. Jamie from Daytona Beach, you have a question? Hi.

Jamie: Yeah, hi, ladies.

Oprah: Hi.

Jamie: Thank you for having this webinar today.

Oprah: You're welcome.

Jamie: I filed bankruptcy in November, and I was wondering if my FICO score will ever get off zero.

Suze: Oh, Jamie, it will take approximately four or five, six years. You know, a bankruptcy does stay on your credit report, you know, for 10 years, essentially. You can't claim bankruptcy again for six or seven years, so it's going to be there for quite a while. And you just need to know that it eventually will recover, and it's not that big of a deal. So don't worry about it, okay, girlfriend?

Jamie: All right.

Suze: And I just have to ask you this. Do you feel bad because you claimed bankruptcy?

Jamie: I did for a while. I felt kind of guilty and kind of like a thief.

Suze: And why did you feel like a thief? Because you claimed bankruptcy?

Jamie: Because I promised these people I would pay that money back.

Suze: Oh. Well, you know what? If ever and when you do, you hit it big and you make money, just because you claimed bankruptcy, doesn't mean you can't go in and not give them back the money so you don't feel like a thief.

Jamie: I know.

Oprah: All right.

Suze: You don't feel like that big of a thief, huh?

Jamie: And then when I started seeing them jacking their rates up to 32 percent to all of my friends, that just seemed like—isn't that usury?

Suze: I used to think that was usury. It obviously isn't. They all have the legal authority to do it. So see, Jackie—(sic)—

Oprah: I'm stunned by 32 percent.

Suze:—across the board everybody's paying 32 percent. I don't know why, again, and why we're not stepping in to do something about that is beyond me. But there you go. It's okay, Jackie, (sic) don't feel like a thief. Just—here's the thing. Most people who claim bankruptcy once claim it twice.

Jamie: Oh, no.

Suze: So you have to learn from this. And if you didn't learn from it, that's the shame.

Jamie: Oh, no, I—I'm good. I own my house. My car is paid for. I have absolutely no debt. And I'm never going there again.

Suze: You've got it, girlfriend. Good. All right. Thank you.

Oprah: Thanks, Jamie. Thanks, Jamie. Erin is Skyping in from Beijing, China. Hi there.

Suze: Jamie.

Oprah: What's your question? You're good with numbers.

Suze: I am not good with names.

Oprah: You're good with numbers.

Suze: But wait now I have to tell you—oh.

Erin: My question is about saving for college.

Oprah: Okay, good.

Erin: I have four sons—my husband and I have four sons. He's in the military, and each of our sons has a savings account that we put money in, the grandparents put money in every year and they're building up, but as far as actual college savings funds, we don't have specific ones for each son. We have—we invest about 20 percent or more of our income every month and it's diverse investments, and we put the maximum into the military's TSP program, so we're investing a lot but we didn't create the individual accounts because our financial adviser over 10 years ago told us, "Don't do individual accounts specifically for college for the kids because what if one kid wants to go to private school and one kid doesn't want to go to college at all and you've already put this money aside specifically for college? Then you're having problems."

Suze: How old are the children now? How old are your kids now?

Erin: The oldest one is 10 and the youngest one is 1 year.

Suze: All right. One year. So here is what I would suggest. I am assuming you have no credit card debt. Correct?

Erin: Correct.

Suze: I'm assuming this you have a savings and emergency fund for yourself. Correct?

Erin: Correct.

Suze: For all of them, because especially the 1-year-old, I would look into 529 plans, if you were you. I would dollar cost average into 529 plans. The number one website in the United States for 529 plans is run by a wonderful man by the name of Joseph Hurley. He's the nation's expert on 529 plans. Illinois has a wonderful plan by the way here. I don't know where you're calling from. But truthfully, go on SavingsforCollege.com and read about 529 plans. Pick your 529 plan from there and start dollar cost averaging into it. Now everybody, I want you to listen to me. There has been a change for 2009. The reason why I have an action plan for 2009 is things are changing in 2009 that have never been true before. Prior to 2009, if you had a 529 plan, you could only make one change a year in your 529. So in 2008, you put all the money in the stock market. Now the stock market starts to go down and you're scared to death, you can't make another change. In 2009, however, you now can make a change twice a year, which makes a 529 plan that much more attractive. Remember, however, with your older one, be very careful. He's only six or seven years away from college. That's not very long. So—so—till you need that money. For that one, I would probably be keeping my money, if it were in a 529, in a stable fund that is not in the market. The 1-year-old, however, fabulous. Dollar cost average into the stock market for that kid. Got it?

Erin: Okay. But what happens if one of the kids decides he doesn't want to go to college?

Suze: Then you can change it to another—you can change the 529's beneficiary to another one of your children. You have four kids.

Erin: Right.

Suze: You're not doing a prepaid plan. You're doing a 529 saving plan. So you can change the beneficiary to any one of your children, and you'll be okay.

Erin: Okay.

Oprah: Also cute boys. Cute boys. We see them in the pictures behind your head. Cute boys.

Erin: Thank you.

Oprah: Very nice.

Suze: You noticed the boys and I noticed the flag.

Oprah: I noticed the flag, too, earlier and then I noticed the boys. She's in Beijing.

Suze: Beijing. I love Beijing.

Oprah: It's already tomorrow. Thank you so much. Thanks so much, Erin.

Erin: Thank you.

Suze: Thank you for the service that you do to the country.

Oprah: Micki is on Skype from her home office near Salem, Oregon. What's your question?

Micki: My. My brother-in-law announced last week that they are planning to get married in Ireland, and I have two children and my husband and I'm wondering how do the four of us pay to get over there? We're pretty frugal and we live paycheck to paycheck, and luckily we don't have any credit card debt, but I don't know how to come up with \$500 a month to save to make that trip worth it or do I just look into going into credit card debt for the trip or do I somehow tell them these—"I'm sorry, but we can't afford it" and do that without making it seem that their wedding's not important to us.

Suze: And how much do you think, Micki, it's going to cost you?

Micki: I think for the four of us it will cost about \$8,000 and it's in the summer of 2010, so that's why I came up with \$500 a month.

Suze: All right. Now how much do you have? You have two children. How much do you have—

Micki: Right.

Suze: —in a savings account?

Micki: We have about \$3,500 in our savings, and then the kids have their own college savings accounts.

Suze: All right. But that's for the kids' college, so you can't live off that. That's in their name.

Micki: Exactly.

Suze: If you and/or your husband, I'm assuming you both work. Is that correct?

Micki: Yes.

Suze: If you and/or your husband lose your jobs, just one of you loses your jobs, and I can't tell you how many e-mails I'm getting right now where I have couples writing me saying, "Suze, I came home and on the same day I was going to tell my husband that I lost my job, he told me—"

Oprah: He lost his job.

Suze: —that he lost his. Couples are losing their jobs together. If just one of you lost your job, how long would you be able to live in the house, feed the kids, do everything the way that you're living right now?

Micki: Maybe a month.

Suze: A month.

Micki: Mm-hmm.

Suze: So how—so let's just—

Oprah: Ireland denied.

Suze: Yeah, just let's image this.

Oprah: Ireland denied.

Suze: Here's what I don't understand.

Oprah: It's—okay. Go ahead.

Suze: I'm sure you feel guilty that you can't go because that means you're not a good relative. That you're not—

Oprah: A good sister.

Suze: A good sister. That you're not going to spend \$8,000 to go to your brother's wedding. What I don't understand is why didn't your brother say to you, "I understand this is going to be a lot of money. Therefore, either we'll have a wedding there and a wedding at home, so you can see it, but I don't want to put you into that kind of credit card debt, so either I'll buy the tickets for you or it's okay." I would deny you. I do not think you should do this. But you want to know what I do think you should do? And I think you should take it from what we're doing right here right now. Ready for this? Because this is what I've had so many people do. Somebody obviously is going to have a computer over there and they're going to be able to Skype you. And so take the computer that has a little eye in it or a camera and hook it up and be there live with them as it's happening with you in your home with the whole family watching it. Take it down and put the little computer on every single table so that you can say, "Hi, here's so and so. Here's so and so and here's so and so," and you can talk to them so you can be there, they can be with you, and guess what? It won't cost you one penny.

Oprah: I love it. And dress up and have a reception. Have some punch in the house and be a part of it.

Suze: I'm serious.

Oprah: I'm serious too.

Suze: I know you are.

Oprah: I think that's a great idea.

Suze: That's what you should do.

Oprah: I think that's what you should do. Especially, look, you're sitting right in our living room right now. We're in your room. And, yeah, I like that idea. But certainly not the idea of going in debt. It's like, you know, I don't—it's like people who go in debt for the wedding. And then they're spending the rest of their, you know, young years together, their early years together, trying to get themselves out of debt. It's certainly not worth the debt.

Suze: I just have to ask a very strange question. Is he going into debt to get married? To pay for this wedding? How is he going to—

Micki: I don't know. Their family is very quiet about financial and anything else that's personal, so I don't—I think we're the only ones who maybe are strapped for cash in the family and—

Suze: I doubt that. I doubt that highly. I bet you they're all strapped for cash. But anyway, regardless of what they do, remember honor yourself here. Honor yourself and I just wouldn't do it. Now I just have to ask this as well. Do you feel relieved now that you have permission to say that Suze Orman said I can't afford it?

Micki: Relieved and scared.

Suze: What are you scared of?

Oprah: What are you afraid of?

Micki: Well, I don't want to be the black sheep of the family and, you know, make them think that their wedding's not important enough to us that money comes first and—so how do I approach that with them?

Suze: I'll tell you how. Money doesn't come first. Your children come first. Your children come first. You come first. Your husband comes first. And if God forbid anything were to happen and one of you loses your job, you have \$3,500 to your name. To your name. You shouldn't feel bad about that at all, my friend. At all. And I just—

Oprah: This is the kind of—this is the trance that we're all in, Micki, and—you know, we're not picking on you. I know it sounds that way right now. Because the truth—the truth sets you free. Just tell the truth. You can't afford to go. And that does not in any way diminish your love for your brother. And telling the truth should not in any way make her the black sheep.

Suze: The black sheep of the—

Oprah: Yeah.

Suze: And again I'm just going to say this. Why doesn't your brother take into consideration your—what you're going through. And why is it always a woman or somebody feeling bad because they're not honoring what somebody else has decided to do even though that isn't respectful of your situation.

Oprah: Yeah.

Suze: I don't buy it. I don't buy it. So you shouldn't feel bad at all, my friend.

Oprah: She's where you were when you had the rich friend.

Suze: Yeah, I know. I'm riper than my friend now.

Oprah: Now you're richer than your friend.

Suze: But it's true and it's like, you know, I wanted everybody—

Oprah: And you wanted to impress the rich friend and you don't want anybody to think you don't have any money, and of course we don't want to be the ones in the family who aren't the ones—I understand it. I understand it.

Suze: But if you go in and tell them you only have \$3,500 and you're scared to death, he'll probably say to you, "Oh my God. You have more money than I do." Don't be surprised. That's usually how it works.

Oprah: Thank you so much, Micki. Thank you.

Micki: Thank you.

Oprah: In 2009, Suze is asking everybody, before you spend money, ask yourself, "Is it a need or a want?" Now Marjorie is Skyping in from Littleton, Colorado, with a question about that. Marge?

Marjorie: Yes, hi, Suze. Hi, Oprah.

Oprah: Hi.

Marjorie: Suze, thank you so much for your book and making it available to everyone.

Suze: Did you download it?

Marjorie: I did.

Suze: Did you read it?

Marjorie: And I read it.

Suze: Wonderful. Good.

Marjorie: When I was watching the show last week and you were talking to the Albertsons and you were talking to Scott about fantasy football being a want, it made me think more about want versus need. And, for example, an expense I have, I professionally have my haircut and colored and styled.

Oprah: That's a show idea.

Marjorie: And I feel like that's a need for my image and the impression I make when I'm on sales calls. And I don't know the whole story behind Scott and fantasy football, but if there's something—if that's something that he uses personally and professionally to connect with people, in a way to enhance his well-being, to contact clients, perhaps help his income, I don't think it's just food, clothing, and shelter that's a need. You have to look at the value behind the expense.

Suze: So—I agree with that 100 percent. And I think it's very important to look presentable. And I think it's very important that you feel good about how you look. That doesn't mean that you go and get \$500 haircuts or haircolors. It doesn't mean that a friend can't cut your hair or you can't color your hair yourself by going to the store and getting something. That's fine. I get all that. Fantasy football? I don't think so. I don't think so on any level. But there is an exercise that I think we all can do that would help you, and you can find this exercise also on Oprah.com, I believe. And I would write a sentence. And I would put whatever it is, before you go out to buy something, before you go out to do something, here's how this sentence would go: "I need to," and then finish the sentence with whatever it is that you are going to do. "I need to eat. Or I want to eat." All right? Maybe you want to eat. All right? But let's try another one. Like "I need to go out and spend money on fantasy football." No, you don't. "Or I want to go out and spend money on fantasy football." Which one of those things are true? Do you see what I'm saying? When you put it in a sentence, it will make logical sense to you what is a need and what is a want.

Oprah: I think even—even better when you're in the middle of getting ready to purchase something, "Do I need this pair of shoes or do I want this pair of shoes?"

Suze: That's right. But sometimes you need a pair of shoes. You actually—there can be a case where you have holes in your shoes, it is snowing out—

Oprah: Yeah. Yeah.

Suze: And you need a pair of shoes. And you may also want what you need. That is possible.

Oprah: Right.

Suze: But when it's doing things such as, you know, you need—"I need to go and buy food." May be true. You know, but what kind of food do you want to buy? You know, you may want to buy caviar. Do you need to buy caviar? No. Now, we're going to have the caviar people calling us. But find out—you know, when you put it in a sentence in a—in context, it really rings true for you if you need something or if you want something. If you just think it all the way through. You're not buying that?

Oprah: I am buying it. I'm saying I wouldn't get very much then because I don't need anything. I'm thinking about it. Really I'm thinking the last 10, 20 things I did.

Suze: Big difference.

Oprah: Yeah.

Suze: When you have money, and you aren't hurting anybody by spending your money, in fact, we're helping the economy right now by spending money, all right? It don't matter, Oprah, whether you need it or you want it, you can have it.

Oprah: Thank you, Suze.

Suze: Any time. And the same is true with me, I have to say.

Oprah: Yeah.

Suze: That doesn't mean you abuse it. That doesn't mean whatever. But when people have money in this type of an economy, that's when we should be spending our money.

Oprah: That's what helps the economy.

Suze: That helps the economy.

Oprah: Yeah.

Suze: We should be going out to eat to restaurants, because we're helping the economy and we're not hurting anybody, because we're not going to claim bankruptcy.

Oprah: Right.

Suze: And then the bank isn't going to get hurt because we put something on a credit card that we can't afford.

Oprah: Okay.

Suze: So we're—that's not it. But when people are in debt, people don't have an emergency fund, people have to watch every penny that they're spending right now. They may lose a job, and then how are they going to pay their rent? That's when you have to question every single thing. "Do I need it? Or do I want it?" And if you want it and you can't afford it, then you have to deny yourself. Simply that simple.

Oprah: Marjorie, are you buying it? Because she's—are you buying this?

Suze: No.

Marjorie: Yes, I hear what you're saying. My comment was more about if there is something, and I'll use fantasy football as an example, if it fulfills something in him that is going to be left empty, if he doesn't have it, I mean, seriously, if that is how he has his relationship with his buddies—

Suze: No way. He's—let me just tell you about Scott and Carol, the Albertsons. They are doing great.

Marjorie: I don't know their story.

Suze: No, they are doing great. They're out of credit card debt. He has—like every lightbulb went out. He stopped eating out. They have an emergency fund. They are doing so fabulous right now I can't even begin to tell you, and he doesn't even miss his fantasy football, I am sure. But it's—you know, but it's, again, it's all what we think. We escape into these things—

Oprah: Isn't it about priorities too?

Suze: It is about priorities. You know, today I was actually having my nails done and I was—

Oprah: Did you need that or did you want that?

Suze: Both.

Oprah: Both, okay.

Suze: Yeah. Seriously, I did. I did. I needed it. All right. So—but—and the woman that I was—that was doing my nails was from Cambodia. And we were talking about how, you know, she says, "Oh, everybody here lives in such"—she was telling me she lives in a studio apartment with her husband on the floor. They have a bed. And I thought, "Oh, really?" And she said, "Oh, no, it's fabulous. I used to live in Cambodia just eight years ago in the same-sized room with like 10 people."

Oprah: Wow.

Suze: She said, "Oh, no, I have everything here I could ever want."

Oprah: Wow.

Suze: And I said, "One room with a mattress on the floor is everything you could ever want?" She said, "Yeah, and it's everything I ever need. Also it's perfect, Suze."

Oprah: Wow.

Suze: And she meant it, Oprah. She meant it. So everything is in perspective.

Oprah: Yeah.

Suze: Everything is perspective.

Oprah: Thanks, Marjorie, for bringing this up. Thank you so much. We have breaking news including today's total through tonight, so far the number of downloads of Suze's book has reached over 2 million.

Suze: Yea! Is that true?

Oprah: Yes. That was your goal and now there it is.

Suze: Is it so—were you telling me the truth before it was only 1.4? I'm not saying that you weren't. But was—is that true?

Oprah: Yeah. Yeah. It happened.

Suze: Do you see how that is?

Oprah: Yeah.

Suze: You see, you just have to say what you want. Now there's a lesson there.

Oprah: There you go.

Suze: The lesson was, you were happy with 1.4 million.

Oprah: I was happy.

Suze: But I wasn't because I had a goal and a vision and an intention for giving away this book. And the intention was at least 2 million people's lives would be changed. That 2 million people would get something for free and they would read this book and they would be able to take action that changed themselves and, therefore, changed the world. And that was my intention. And you can ask your producers from day 1, I said—

Oprah: Two million?

Suze: —two million. From day 1—

Oprah: I didn't have the number, so I was very happy with whatever happened.

Suze: I envisioned it and that was my intention in giving away 2 million books.

Oprah: So can somebody tell me what happened from the beginning of this webcast when I was told 1.4 to now? You know, 600,000 people went on the Web and did it? Because—

Dean: The updates don't come in real time.

Oprah: The updates don't come in real time. We just got the update.

Suze: Oh, great, though. I'll take it.

Oprah: I'll take it. Boy, you called that one in. That is huge.

Suze: That's great. Thank you, everybody.

Oprah: Boy, Richard is—Richard is applauding. That was our angel guy. Richard's applauding and understanding what you said about calling it in. What you attract.

Suze: Yeah. I was very clear with what I saw for the giveaway of this book. It was 2 million people. I wanted double what we gave away when we gave away *Women & Money*.

Oprah: Wow.

Suze: I wanted—you can ask the producers from day 1 I said 2 million. My goal was 2 million.

Oprah: I know. And when I sat down here and you seemed genuinely disappointed with 1.4, I'm like, "Take the 1.4, Suze."

Suze: I never settle for less. I only settle for more.

Oprah: Wow. Love that. We're also getting some e-mails from our students. So how does a person buy municipal bonds is what one of the students needed to know.

Suze: Oh. Well, chances are if you're a student, you don't need to buy municipal bonds. But the best way to buy municipal bonds is through a financial adviser, believe it or not, who specializes in municipal bonds. If you're going to buy a municipal bond, and for those of you who don't know, a municipal bond is a bond, a debt instrument, where a municipality, like a city, is needing money, and you're lending that city, so to speak, your money so that they can do something in their city.

Oprah: Right.

Suze: The only type of municipal bond I would be buying if I were you in today's day in age are general obligation municipal bonds, which I wrote to you in the e-mail as well.

Oprah: That's right. You sent it in my e-mail.

Suze: And the reason is a general obligation municipal bond is the obligation of the city, state that you are doing it from. It's not a revenue bond, which is from the revenue of some project, because maybe that revenue won't come through. So look at general, good quality, general obligation municipal bonds if you're going to buy one.

Oprah: All right. One more question from the troops. Is there a FICO in Canada?

Suze: There is a FICO in Canada. It works different a little bit in terms of the scoring technique. We go from 300 to 850. I think they go into the 900s. But absolutely Canada has its own FICO scoring system. It is not called FICO, but it is a credit scoring system that works very, very similar to how it works here. South Africa has one. They have them all throughout the world.

Oprah: Okay. Nicole from Tacoma, Washington. Hey, Nicole, you're on the phone. Hi.

Nicole: Hi. I've got a big decision to make. About a year and a half ago I got a great promotion that moved me from Phoenix, Arizona, to Tacoma, Washington. Where in Phoenix I had a house or I still have a house, unfortunately, and I've been trying to sell or rent that house over that past year and a half, and at this point I owe \$208,000 and I'd be lucky to sell it for \$75,000.

Suze: Yes.

Nicole: And I'm feeling foreclosure might be my best opportunity.

Suze: Have you rented the house out since you moved out of the house?

Nicole: We've been trying, but we can't get anybody in.

Suze: Wonderful. Is—was it your primary residency before you moved?

Nicole: Yes.

Suze: All right. Here's what's important about that. There is a debt relief act that says when you do a short sale or a foreclosure, you owe the bank \$250,000, all you can sell this house is for \$75,000 so you're essentially \$175,000 short of what you owe the bank if you sell it, correct?

Nicole: Yes.

Suze: That's known as a short sale. If it is your primary residency, then you do not owe taxes on the difference between what you sold it for and what you owed. If you foreclose it, there's no tax owed on it. So you do not owe taxes on that difference. If it is a rental property, however, everybody listen to me, if it is a rental property, you owe income tax on that money unless you are 100 percent insolvent, which means you have no money whatsoever. So you may be ending up, please consult your CPA about this, because it was your primary residency, because you never moved—you know, you never rented it out, now you had to move, you may, if you do a foreclosure or a short sale, you do not owe income tax on that. That is huge, my friend. That is huge. So once again, you may be in a situation

where you just said "unfortunately." It's not unfortunately. It's fortunately for you because the one entity you do not want to owe money to is the IRS, who has the legal authority to seize your money, to put liens on anything, to garnish your wages. Are you kidding? Congratulations.

Nicole: Thank you.

Suze: Any time.

Oprah: Any time. How is it that you know all—how—your vast knowledge of all of this is what's so extraordinary.

Suze: It's the only thing that I love in terms of the things that are out there. Obviously, I love people.

Oprah: Mm-hmm.

Suze: I love these things. I can sit—

Oprah: So do you study, you know, mortgages, real estate.

Suze: Twenty-four hours a day.

Oprah: Yeah.

Suze: Twenty-four hours a day.

Oprah: So what were you like as a little girl? Were you do thing as a kid?

Suze: Well, the only thing that I did as a kid was that my mama had to be a secretary so Caritha McCoy, I couldn't say her name, so it was KiKi, who was years of age who was totally illiterate was hired to take care of me while my mom worked. And KiKi, who I loved, an African-American woman, I loved this woman. And she smoked Kool cigarettes that was 25 cents a package. And she would send me to the store with a little note saying, "Here's 24 cents. It's okay for Suze to buy a pack of Kool cigarettes and bring it home."

Oprah: Yeah.

Suze: And I would sit there and I would say, "KiKi, if we saved this 23 cents, do you know you would have enough money to leave?" Because she was in a situation where she was a battered woman, because we would always have to go get her at Cook County Hospital when this guy, Frank, would beat her up and bring her back and live with us until she was okay and then she went back to Frank because she didn't have the money to leave. And so I would say, "KiKi"—

Oprah: As a kid.

Suze: As a kid. Six years old. Eight years old. I would say, "KiKi, if we could save this 23 cents and you didn't smoke, this is how much money we could have over this period of time, then you could leave and you wouldn't get beat up and then I could have you for the rest of my life."

Oprah: Wow.

Suze: So very young I started to get that money was the ticket to freedom that would not ever keep KiKi in a situation that eventually KiKi never made it past 40.

Oprah: She did not.

Suze: No, she did not make it past 40. Because my dream in life, Oprah, was to grow up and make a lot of money and have KiKi move in with me and I was going to take care of KiKi for the rest of my life.

Oprah: Wow.

Suze: And I never got to do that.

Oprah: You know I asked that question because you cannot speak to power the way you do unless it has been coming from something.

Suze: I have loved it—I didn't know I loved it.

Oprah: Mm-hmm.

Suze: I didn't know I loved it until I—you know, at I became a financial adviser after being a waitress, as you know, for seven years until I was 30. But then when I sat there that first day in that office and I started hearing this I went, "Oh my God. I get this."

Oprah: You went, "I'm home."

Suze: I'm home.

Oprah: You're home.

Suze: I came home. I didn't know where home was. I didn't study it in school. I was going to be a social worker.

Oprah: And you are.

Suze: In a way.

Oprah: That's what you've been doing tonight.

Suze: But it is my love. I could do this 24 hours a day. We could do an all night—I could sit here for 24 hours and answer every question and be like this for everyone.

Oprah: Wow. I know, I feel that from you.

Suze: Yeah. Oh, I love it.

Oprah: Tanya's on a business trip in California Skyping from her hotel room. What's your question, Tanya?

Tanya: Hi, Oprah. Hi, Suze.

Oprah: Hi.

Tanya: I'm thanking you so much for this opportunity and I'm being empowered every second, and one of the questions that I have is about my home mortgage. I recently discovered that I didn't pay attention when I was getting a house and getting my mortgage. I was just so excited about becoming a homeowner. So I didn't pay attention to the kind of mortgage I have and recently discovered from a call from my mortgage company that one of my mortgages is going to be set to adjust July of 2009. And I contacted the mortgage company to try and find out from them what other options I have, and they told me basically they weren't offering anything. And I wanted to know what other approach I could take to try—I can afford the mortgage now, and I don't know what the rates will be—

Suze: Let me did you some questions here then. Tanya, do you have equity in the home? Is the home worth more than what you owe?

Tanya: I don't think so.

Suze: So now we have a problem. That's where they get you. Is the home worth the same as it what you owe or less than what you owe?

Tanya: It's worth the same as what I owe at this point.

Suze: Yeah. That's where it's sad because if there was a little equity in it, even like 10 percent and your FICO scores were good, do you know what your FICO scores are?

Tanya: My FICO scores are not in the 720 range as you said. They're more in the 680s to 640s range at this point.

Suze: All right. And do you have any extra money coming in that you could save to put down on this home in if we were going to do a refinance?

Tanya: Well, that's what I'm working toward. I have money that I—I have excess that I can save right now, fortunately. I've been putting that away to try and decide how to approach it.

Suze: And is this a home that you're going to stay in?

Tanya: If I don't find a millionaire to whisk me away, then I intend to probably be there for some time, yes.

Suze: How long is some time?

Tanya: Maybe the next 10 or 15 years.

Suze: All right, good. If that—if you are going to be there for 10 or 15 years, because somehow I'm going to suspect that all the millionaires that are out there, this market probably did them in. And so anyway, so what would be great is for you to become your own millionaire to yourself on some level.

Tanya: Yes.

Suze: So here's the good news. The good news is interest rates on 30-year mortgages are at

their all-time low. Today, as a matter of fact, they just broke the 5 percent range. They're like 4.9 percent 30-year fixed rate mortgage. Are you kidding? So what I would do is who cares if the bank that you're deeming with isn't going to give you a mortgage? If you, hopefully you'll take advantage of the FICO kit where you can get it for 25 bucks, work on it, improve your FICO situation there, save money so when the time comes, because interest rates are only going to stay down here. They're not going to go up. You'll be able to refinance the whole thing hopefully at a 4 and a half percent interest rate, 30-year fixed, your payment will come down dramatically, and in the long run this will be a blessing. But you have to make it your number one priority to be saving money so that if you have to come up with money to qualify for the mortgage, you'll be able to do so. Got that?

Tanya: Got it. Thank you so much.

Suze: Good. Got it? Get it? Good.

Oprah: Got it? Good. Thank you so much, Tanya. Shelissa from Chicago's on the line. Hi, Shelissa.

Shelissa: Hey, Oprah.

Oprah: Hi.

Shelissa: Hi, Suze. Thank you all for taking my call.

Oprah: Okay.

Shelissa: I just wanted to let you all know I made a crazy and stupid mistake. I purchased a home in—for my brother in my name and the mortgage has adjusted from \$2,400 to \$3,400 and he

can't afford this. So I'm taking on the—the rest of the amount. And now I put the house up for sale on a short sale and I've used \$5,000 of my savings to get the mortgage called up because he was 30 days behind. So what I want to know is, should I continue using my savings, which is \$9,000—

Suze: No.

Shelissa: That's my question.

Suze: So Shelissa, here's the thing. \$9,000 is only going to get you by two or three more months.

Shelissa: Exactly.

Oprah: Exactly.

Suze: But here is the real problem. The house is in whose name?

Oprah: Hers.

Shelissa: It's in mine.

Suze: And the house is a rental. It is not your primary residency. Correct?

Shelissa: Correct.

Suze: And—because you're renting it to your brother.

Shelissa: Well, I was—yes, technically, yes.

Suze: So because it's not your primary residency, the real problem here is how much of a mortgage do you have? How much do you owe?

Shelissa: I'm sorry, it's \$290,000, but it's worth \$270,000.

Suze: All right, great. I want you to sell the house right now. Because if you can sell the house right now, the difference is only \$20,000. \$270,000 from what you owe—you know, from what you could sell it, \$290,000 from what you owe, that's only a \$20,000 difference. If you can do a short sale on that and you have to—

Shelissa: It's up for sale now. Short sale has been in place for 30 days now.

Suze: All right. So if you can sell it, great. But you will owe income tax on that \$20,000 difference. Did you know that?

Shelissa: Yeah, I did know that.

Suze: Great, girlfriend. Then owing income tax on \$20,000 is nothing because if you think about it, income tax on \$20,000 is going to be less than you shelling out \$2,000 or \$3,000 every single month for God knows how long to keep this house for your brother.

Shelissa: Exactly.

Suze: And, by the way, you should hold him to this so that once you go through this with him and it's gone, he owes you this money, and he should pay it back to you.

Shelissa: Right. I did have him sign an agreement with the amount that was owed because he had someone else that was staying there with him as well helping pay the mortgage, so I did have them both sign a notarized letter stating how much they owe, how much they're going to be paying monthly to pay this money back.

Suze: So, girlfriend, you already know what to do. You got it. Just stay in your power, you got me?

Shelissa: I didn't know if I should use the rest of my savings—

Suze: No. No. No.

Shelissa:—in case—(inaudible.)

Oprah: No.

Suze: No.

Shelissa: Okay. Because I didn't want to do that.

Oprah: No. You got it? No.

Shelissa: No. Okay, good.

Oprah: No.

Suze: Here's the question. Did you just hear what she said?

Oprah: What?

Suze: She said, "Good, because I didn't want to do that." But then why is she asking me for something that you knew you didn't want to do?

Oprah: Yeah, that's a good question, Shelissa. Why are you asking Suze—

Shelissa: Because I didn't want my credit to be messed up.

Suze: Oh, who cares? I'd rather have money in the bank and a bad FICO score than a great FICO score and no money in the bank. Everybody, your priorities are all screwed up.

Shelissa: I wanted your expert opinion and thanks.

Suze: You got it.

Shelissa: I feel better.

Suze: Did you see her voice changed at the end?

Oprah: Yeah. Yeah.

Suze: That's good.

Oprah: I didn't want to do that anyway because money in the bank is better than even a bad FICO score.

Suze: It's true.

Oprah: It's money in the bank.

Suze: Do you know all these people always tell me, "Suze, I have a great FICO score. I pay my bills on time every single month." But they have absolutely no money and they're taking money

from one credit card to pay another credit card, and all they care about is their FICO score. Now that's great. I want all of you to have a good FICO score. You need one. You need money more than a score. That's what I say. So I'd rather have money than—you know? No.

Oprah: We're almost out of time so we're going to start wrapping up. Suze in the last chapter of her book asks never to forget the painful lessons that 2008 taught us and for us all to remember these three things.

Suze: Yeah. So the first one is let's see what order we have them in. We have them.

Oprah: Hello, where are they?

Dean: Right there.

Oprah: There they are.

Suze: There they are. All right. So when it comes to money, when it sounds too good to be true, it is.

Oprah: Yes.

Suze: All of you, please remember the Bernie Madoff scandal that's everywhere around. If it

sounds too good to be true, it is. If somebody's rushing and they're saying to you, "I have this great deal," get out of it. Who cares? If you cannot afford it, do not buy it. Do you understand that, everybody? Is it a need? Is it a want? If you cannot afford it, don't buy it. But this one here really is my favorite. And it's this. It is far better to do what is right than to do what is easy. It's easy to go to Ireland for a—for a wedding that you cannot afford. It's easy to pay your brother's mortgage payments for him even though you don't want to do so. It's easy to do all these things for all these people, but it's just not right.

Oprah: Yeah. But Micki's issue about going to Ireland, that's even deeper than just the money.

Suze: Yeah.

Oprah: That's a lot of—that's pleasing other people.

Suze: People.

Oprah: And trying to live for the—

Suze: But it's easier to please other people—

Oprah: Than it is to do what's right.

Suze: —than to do what's right for yourself.

Oprah: For yourself.

Suze: And that's where he get into mistakes and problems.

Oprah: Mistakes. Well, I want to thank all of you around the world and Suze does, too, for joining us. Isn't this fun?

Suze: I love this. You sure you don't want to do another hour?

Oprah: I really can't do another hour though. You're going to do another hour on the radio, though. 2009 is the year to take control over your finances. This is a great, great, great book. It's an action plan for all of us. And even before—I think I got one of the first ones that came off the press.

Suze: You did. You actually got number 9.

Oprah: Number 9.

Suze: Because 9 is the number of wealth in Asia, and I pulled that one so the first nine copies I pulled and the ninth one that I sent you was the ninth one because you deserve a life of wealth because of everything you've given to this world.

Oprah: Thank you so much. The first step is to find out what your FICO score is. Remember, Oprah viewers get a 50 percent discount on Suze's FICO kit. The offer expires one week from tonight. You can find it by going to Oprah.com/FICO. Now, if you want to experience this class again or tell a friend who missed it, our webcast will be available on demand tomorrow for free here at Oprah.com. You can also download the podcast tomorrow at Oprah.com and iTunes. The conversation continues right after this webcast. Suze is still fired up. She'll be taking your calls on *Oprah & Friends*. Tune into XM 156 or Sirius 195. Now tomorrow night again at 8 p.m. Central on Oprah.com we'll be here with Dr. Laura Berman, who will be taking your questions about sex. She can get a lot more specific on the Web, so don't miss that. And before we leave the web, listen to this. You have until 11:59 Central Time tonight to download Suze's best-selling new book for free. That's about two hours from now where we are, Central time, and then it's over. So thank you again for your generosity, Suze. This is amazing what you're doing.

Suze: Thank you to Julie Grau for the generosity. She is the publisher. Spiegel & Grau. Thank you, Julie.

Oprah: Good night, everybody.