

DAVE SAYS:

Lay The Foundation First!

Dear Dave,
We've read about your plan, and we're in pretty good shape financially, but we don't know what to do next. We have \$400,000 in a 401(k) for retirement, but we don't have an emergency fund or any other savings. The only debt we have is our house. What should we do about Baby Steps 4 and 6?

Mary
Dear Mary,
You guys have done a great job of saving for retirement and staying out of debt. Let's go over the Baby Steps you mentioned. Baby Step 4 is putting 15 percent of your income into Roth IRAs and pre-tax retire-

ment plans. Baby Step 6 is paying off your home early.

The thing that worries me is you've completely skipped Baby Step 3, which is having three to six months of expenses in an emergency fund. This is money set aside strictly for emergencies, not vacations, toys or a new car. The problem right now is if you have a real emergency, you'll have to cash out your 401(k). If you do that, the government's going to penalize you 10 percent, plus your tax rate. That's about a 40-percent kick in the teeth just because you didn't do things in the right order!
Again, you're in pret-

ty good shape overall, but in building your financial house you've put the roof on before you've laid the foundation. If I'm you, I'm going to temporarily stop my 401(k) contributions until I get my emergency fund fully loaded. By temporarily, I mean six months at most. That way, you'll be covered when life happens without having to sacrifice your retirement savings!
—Dave

Just What She Needs

Dear Dave,
My daughter is a student and has \$13,000 in student loan debt.

Recently, her grandparents dissolved an LLC, and they want to give her a gift of \$12,500. Should she use this money to pay off the loans, or invest in a Roth IRA and keep working to pay off the student loans herself?

Meg
Dear Meg,
Let's look at it this way. Pretend she didn't have any student loan debt. Would it be wise for her to borrow money on a student loan in order to invest in a Roth IRA? Of course not. If you don't pay off the loans, and invest it instead, it's just like you borrowed money to invest. That's not a good



Dave **RAMSEY**

plan.
Your daughter needs to get her student loan mess cleaned up, and this is the perfect opportunity to do just that. And I think it's pretty cool that God gave her what she needs to fix things. Besides, she can't do a Roth IRA, except to the point that she has an earned income, any-

way.
The last thing this girl needs is a pile of debt waiting on her when she gets out of school. She's not in a position to be an investor right now. The minute she pays off her student loans, she should get to work on saving a pile of money for an emergency fund so she can complete her studies without racking up more debt!

—Dave
* For more financial help, please visit daveramsey.com.

1610 Condos - Townhomes



TWO NEW DELUXE TOWNHOMES
631 Sawgrass
On Fox Run Golf Course, exceptional lot and views. One level, no stairs construction. High efficiency, low maintenance. 2-bedroom, 2-bath. Concrete siding, blown insulation, association membership-rare properties. Call Merle (605)760-1719.

1615 Houses For Rent

2-bedroom house new hardwood floors, finished basement, garage includes appliances. No pets, 1-year lease. \$575/deposit. (605)660-8700.

Available cute 2-bedroom, close to downtown, \$525/month. Stove/refrigerator, lawn/snow service. Lease, application, pets welcome. (605)665-1828.

Country living 2 or 3 bedrooms, garage, no pets. \$550+ utilities. Lease, deposit, references. (605)660-3123.

Cozy 1-bedroom house, with off-street parking, \$350/month plus electricity. No pets/ smoking, small deposit required. Ready now. (605)665-3818.

For Rent: 5-Bedroom home in Vermillion. \$1000/month plus utilities. Call (402)355-2222.

1625 Mobile Homes For Rent

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3002 W. 23rd
3-bedroom, 2-bath, 3-car garage. \$650/month plus utilities. Lisa, Anderson Realty (605)661-0054.

Please Recycle When Done Reading!

FARM FOR SALE

LEGAL: NE4-5, less about 10 acres of bldg. site, Section 5, Township 30N, Range 1E, Cedar County, NE
LOCATION: West of Hartington on Highway 84.
PRICE: Sealed bids will be accepted on our bid form only, and delivered to our office no later than 4:30 P.M. February 6, 2012. Depending on bids, bidders may be invited to a private auction.
OWNERS: Steve and Linda Evans
INSPECTIONS: To make arrangements, please call Pfeil & Associates, Inc., Wausa, NE at 402-586-2277.
Information brochures, terms and bid forms are available by contacting Pfeil & Associates, Inc. by phone or e-mail.

PFEIL & ASSOCIATES, INC.
Wausa, NE 68786 • 402-586-2277
www.pfeilandassociates.com
Marvin Hochstein, Salesperson
Frank Weberg, Broker
Jennifer Kumm, Salesperson

KOKES AG SERVICE Winter Workshop

Speakers
Jim Erwin - Soybean Growth and Development
Jason Kokes - Field Drain Tile: Approval, Effects, Impacts
Garry Moore - Drainage Districts
Tuesday, Jan. 31
Tyndall Auditorium
Pork Loin supper beginning at 6:00 pm
Program to follow
RSVP to 463-2426 by Jan. 29

FRIDAY, JANUARY 27 & SATURDAY, JANUARY 28, 2012

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EXTRA 20% off WHEN YOU BUY THREE APPLIANCES*

EXTRA 25% off WHEN YOU BUY FOUR OR MORE APPLIANCES*

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<p>a. Kenmore® over the range microwave 02285063 Reg. 539.99, 449.99</p>	<p>b. Kenmore gas or electric range 02292203 Reg. 749.99, 637.49; 02272403 Reg. 809.99, 637.49</p>	<p>c. Kenmore dishwasher 02213273 Reg. 704.99, 563.99</p>	<p>d. Kenmore® 25-cu. ft.† side-by-side refrigerator 04651103 Reg. 1269.99, 1015.99</p>
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*Price is after tiered event savings. No additional discounts apply.

SAVE \$132
\$307⁹⁷ SALE
WHEN YOU BUY ALL THREE Craftsman® 11-drawer basic ball-bearing tool chest 00931014/5/8

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all tool storage over \$100 Offer good thru 1/28/12

30% OFF
all mechanic's tool sets over \$100 Offer good thru 1/28/12

your choice \$49⁹⁹ SALE
SAVE \$30
a. Craftsman C3® 19.2-volt drill 00917191

SAVE \$30
b. Craftsman Nextec™ 12-volt lithium-ion drill with battery and charger 00917586

Not shown: save \$10, 29.99 Craftsman C3 19.2-volt battery powered by DieHard®, 00911375

\$69⁹⁹ SALE
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Craftsman Evolv™ 3-gallon compressor 00915206

\$199⁹⁹ SALE
SAVE \$5
Craftsman 17-pc screwdriver set 00931794/41608

\$149⁹⁹ SALE
SAVE \$40
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JAN#2012 301

APPLIANCE OFFER: *Buy More Save More Event excludes Electrolux, Jenn-Air®, Dacor, Fisher & Paykel, floor care, sewing machines, countertop microwaves, water heaters, water softeners, water filtration, air conditioners, air cleaners, humidifiers, dehumidifiers, accessories, closets, and Everyday Great Price items. These discounts are calculated no purchase price of items less discounts and coupons, not including tax, installation or delivery. See store for details. Offer good thru 1/28/12.