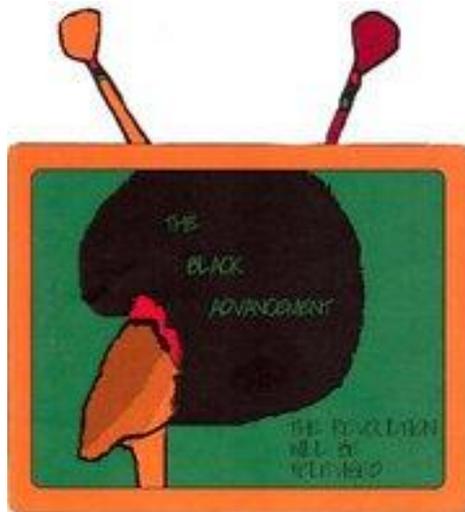


Black Advancement Inc.

Presents:

The
Credit
Commandments



A Financial Primer

4th Edition

November 2021

Preface

The Black Advancement Inc. is a non-profit organization that seeks to combat problems in the Black Community through discussion and action. We call these actions “Solutions”. One problem we know has an outsized effect on the Black Community is the issue of financial literacy. With that said, we are fully aware that financial literacy is not an issue strictly impacting the Black Community but is in fact a universal issue. To combat this issue for our target base and any of the interested parties we developed a financial primer we labeled the *Credit Commandments*. The purpose of this financial primer is to enable the reader to develop a financial strategy to get out of debt, stay out of debt, and build savings.

FOREWORD

FINANCE & ADVANCE

To all who have decided to take this pamphlet or read it online, the biggest take away from the 4th edition of The Credit Commandments is to use this information to put your money away and to work. Success is predicated on will power, preparation, and dedication. To be financially successful requires nothing different. In this edition we decided to expand into the basics of investment with the hope of exposing as many people as possible to the next step of becoming financially secure.

I know financial issues can seem overwhelming, but this is not rocket science. By maintaining discipline, exhibiting the ability to prepare and be patient, and believing you can achieve your goals, you will not only be able to get out of debt, but you will also be able to stay out of debt and grow your financial future. The techniques cited and guidance provided in this pamphlet are not new, but some aren't widely known. These techniques were collected through research on the internet, books, or life experience. Use the content in this pamphlet as they apply to your life currently and don't be so hard on yourself. Always remember "A dream is a goal without a plan," so develop a plan and stick with it while remaining flexible to what life brings you.

If you find this program to be helpful, you are obligated to share it. Share this information, it may save someone's life, or at least their life savings.

Peace and Advance!!!

Agyemang Asante Goodman

Founder & President of Black Advancement Inc.

THE CREDIT COMMANDMENTS

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I. B.I.B.L.E. (Before Investing Balance Living Expectations)

Always, always plan and try your best to stick to it. This is the first and greatest credit commandment. For all people, especially people who are married, it is extremely important to have a financial plan when it comes to your future. How much do you want to save for your children's college fund? What type of residence do you want to live in? What do you want for yourself? Do you want to fully retire by the time you are 67...can you retire at 67? These are just some of the many question that you must ask yourself to know how much money you will need to set aside going forward. Make your plans and goals achievable and list them with realistic timelines and expectations. By doing this you will force yourself into taking a serious look at your habits.

EXAMPLE:

Here are some questions to help you get started with your B.I.B.L.E.

- 1) I want to retire by age ____.
- 2) I want to have \$____, _____, _____ in my retirement fund by the time I am____ years old.
- 3) I want to save \$____, _____ for my children's education by _____.
- 4) I want to own a condominium, house, townhouse by age ____.
- 5) I want a (new or used) vehicle by _____.
- 6) I want to take a vacation every ____ years/months.

The Six-Month Nest – In cases of an emergency, such as being furloughed/laid off or a medical crisis for you or someone in your family, ideally you would want to save upwards of six months of all your expenses. This will afford:

1. The time to be able to look for new employment.

2. Help pay for one's responsibilities without the immediacy of being strapped for cash.
3. Provide access to funds in cases of emergency (i.e., medical).

By doing the math on your expenses and based on your standard of living, you should be able to have a good estimate on how much is needed to float you during this difficult time period. Do not be discouraged at the amount; instead focus on what you can do with the larger goal in mind.



DID YOU KNOW:

- The younger you are the cheaper your life insurance costs will be.
- The healthier you are, at any age, the cheaper your life insurance costs will be.
- If you don't have a will that states who you want your assets to go to, the issue will be addressed during the probate process (court) to decide who gets possession of the assets [this issue is addressed in further detail in Commandment XVIII pg 47].
- The better your credit score, the lower your interest rates for loans etc. will be.

Financial Planning for Retirement Worksheet

This is a financial planning retirement worksheet for you to work through your financial future. We strongly recommended using a pencil or make several copies.

	Totals You Spend Now	Inflation Factor	Future Budget at Time of Retirement in ____ years
Housing	\$		\$
Household operation and maintenance	\$		\$
Automobile and transportation	\$		\$
Food	\$		\$
Clothing	\$		\$
Personal	\$		\$
Medical and health	\$		\$
Recreation, education	\$		\$
Contributions	\$		\$
Taxes and Insurance	\$		\$
Savings, investments	\$		\$
Irregular expenses (ex. gifts, license plates, holiday spending, etc.)	\$		\$
ANNUAL TOTAL	\$		\$

II. NEVER DENY THY OWN SUPPLY

You are your biggest investment/asset. Consider the following:

Checking Account – Open a checking account. Try to avoid any banks that charge you for having less than a certain amount in your account (i.e., maintain a balance of at least \$100 dollars in your checking account or pay a penalty). If you cannot find a bank that meets this requirement, try to join a credit union.

Pay Yourself First – Every time that you get paid you should make it a point to pay yourself 10% of that payment. Remember, you cannot lose money if you invest in yourself.

EXAMPLE:

If your Paycheck = \$1,000 you give yourself \$100.00 (through 401K, Thrift Savings Program (TSP), or your own Savings Account).

Like any major change in your life such as eating differently or starting to work out, it will hurt at first. You will feel the effects of having less money in your pocket. If you don't have access to a 401K or a TSP, we suggest you automatically deposit your 10% into a savings account. This will help you adjust to your new totals by tricking your mind into believing this is how much you actually make. This 10% can be used to support a variety of situations such as:

- 1) Emergency fund
- 2) Vacations
- 3) Down payments (car/house)
- 4) Long Term Debts (college loans)
- 5) Unemployment Back-Up

Savings Account – If you have money coming into your checking account on a recurring basis you should get a savings account and have an appropriate amount (10% if possible) automatically deposited to your savings account (If possible, you should have more than one savings account).

Automatic Deposit –Use automatic deposit. Most employers have this available. This will make it easier for you to keep track of your money and you will never have to worry about losing your check!!!

Pre-Tax Payments – Work programs such as 401K and TSP take money out of your paycheck before taxes are taken out. If maintained and managed this can help you retire comfortably, however if you take money out of these programs prematurely (before you turn 59^{1/2} years old) you will be penalized, and taxes will be taken out of that amount (this may vary depending on your plan).

Save a Percentage Not a Dollar Amount – By doing this you ensure that your savings keep pace with salary by earmarking a specific percentage of your paycheck not a set dollar amount. This will also adjust with pay increases and decreases.

Pay in Cash - Opt to make cash payments whenever possible; try not to take on unnecessary debt; and set your parameters and stick to them!



III. KNOW THY LIMITS

There is only one thing worse than wanting what you can't afford - buying it. For you to truly be debt free, you must know what you can and cannot afford. Set limits on big purchase items and have a plan on how to pay for them.

EXAMPLE:

If your monthly Paychecks = \$4,000 and you want a new car that cost \$800 a month you will pay 20% of your total income to that one item.

Understanding the true value of something will help you decipher what you can and cannot afford each month. If you need the latest cell phone with all the apps that come with it, and it can substitute for several other things such as a laptop, television/cable bill and house phone (landline), then the value of that phone is justifiable to you. However, if you decide to purchase a new vehicle 'just for show' when you drive to a job that is maybe 5 or less miles away from your residence, then that is not reasonable. There are plenty of ways to stop overindulging like:

- 1) Buying used or refurbished electrical items (laptop) as opposed to new ones.
- 2) Buying clothes from the thrift store as opposed to new ones.
- 3) Buying a used, more fuel-efficient car as opposed to a brand new one.

The following table lays out a notional budget for a \$4000.00 monthly income:

Using \$4000.00 a Month Income	Rules of Thumb on Funds Distributions per Month
\$1120.00	Home = 28%
\$400.00	Home Maintenance/Utility = 10%
\$400.00	Savings = 10%
\$800.00	Car / Transportation + Gas = 20%
\$680.00	Food + Entertainment (including Cable) = 17%
\$400.00	Church/Charity = 10%
\$200.00	Telephone/Cell = 5%

Small Steps – If you have a hobby that you refuse to give up on like collecting vinyl records or buying shoes, try to get these items as cheap as possible. For instances, buying shoes at an outlet or used vinyl records will guarantee you saving a decent amount of money. Remember it is not about not having things, it's about not having things at all cost.

Set A Weekly Budget Meeting With Yourself/Spouse – Every week at a set time review your finances to make sure you are still on track. There are also software programs to assist with this if you prefer such as Quicken, Mint, Mvelopes, YNAB, FutureAdviser, and Tiller.

Avoid Impulse Buying – When shopping, make a list of the items you need to buy, not want but need. By sticking to the list, you will avoid the dreaded impulse buy, which will only steep you in further debt.

Store Cards – Becoming a member of a grocery store chain can literally save you tens of hundreds of dollars over time. Some of these grocery store chains also may offer other financial benefits such as money off gas.

Coupons – Couponing is another way to save big money. This not only applies to groceries but also restaurants, oil changes, and even more.

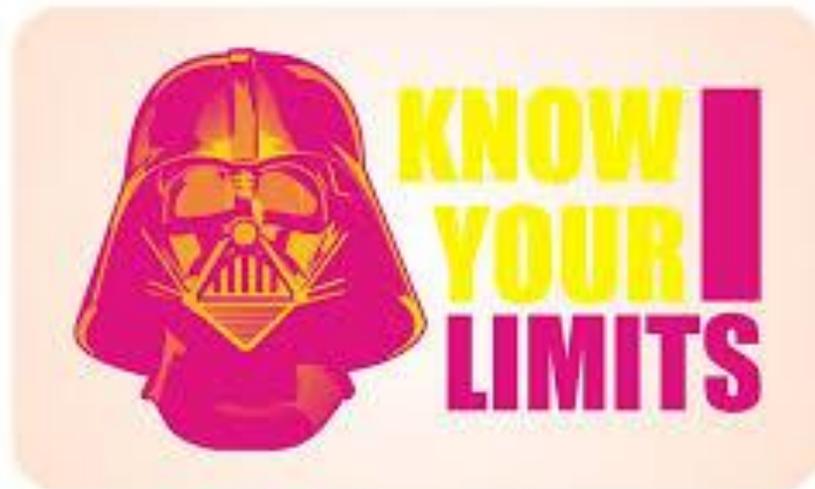
Mantel Rule – Set out a certain amount in a certain place (mantel, fireplace, jar in the kitchen) for the week and live off it.

EXAMPLE: Take out \$200 dollars and place it on the mantel and take 20 dollars a day. If you have change left over after the day, put into another pile. This can control your spending, specifically if you only bring those \$20 dollars.

Professions with Discounts – If you are in the military or an educator you may be privied to discounts at certain establishments. Join organizations, such as a NEA for teachers, and you can receive additional discounts at selected businesses. Double check your own place of employment to see if this applies for you.

- www.dealhack.com/blog/teacher

Side Jobs – Time is the most precious commodity we have, however if you find yourself with mounting debt and time on your hands you may want to consider a part time job. Look for something you may enjoy with a flexible schedule and a financial goal in mind.



IV. THOU SHALT PAY THY BILLS (On Time)

Paying your bills on time is the best way to build up your credit score and to stay out of debt. This is the most troublesome of all the Commandments. The first thing you should do is to determine what you really need and what you don't need. This can help cut into the amount you spend on bills. Do you really need the television package with all 996 channels? Do you really need the latest cell phone when your other one is still supplying all your needs? Do you really need the 20XX luxury sedan or hybrid or SUV? These are questions you should keep in mind when paying bills and the amount you want to pay. When paying the recurring big bills such as the mortgage, car payments, or college loans your aim should be to pay them off as early as possible. This can be achieved by doing two simple things:

- 1) Try to pay more than the minimum amount/payment due
- 2) If it's a fixed bill (the same amount every month such as a car bill) pay more than the amount specified in the statement, if you can:

Account Number:	1234-6789-1235-10112
New Balance	\$ 1,000.00
Minimum Payment Due	\$15.00
Payment Due Date	01/01/2soon
Amount Enclosed	\$ _____ . _____

DID YOU KNOW:

- Your new car value depreciates up to 20% as soon as you drive it off the lot.

- You can negotiate your rates for your credit cards by working with the credit card company
- You can set up an automatic bill payment for most of your bills. Companies are trying to cut cost and are willing to make online services available to all their customers. Be aware that setting up an automatic payment may take away your ability to adjust the time in which you pay, making it harder if unexpected expenses pop up.
- If you have a fixed bill, such as a car payment, you may be able to shift a month of payments if you are unable to pay a particular month. This month could be tacked on the end of your debt calendar pushing back the end date of the loan by a month. Please contact any or all your fixed bill payments companies to see if this option applies for you.
- Avoid Payday Loans at all costs! Outside of being outlawed in 18 states and tightly regulated in 19 more (including the District of Columbia), payday loan companies are known to have high interest rates, hidden fees, and aggressive lending and collection practices.
- Overpay your non-fixed bills to manipulate them into fixed bills. If you pay in excess of the base amount on fixed bills even \$5 you could save \$100's over time. If you pay \$500 in January for a bill that only cost you around \$100 a month then continue to pay \$50 dollars on this bill every month after, you can "fix" the bill for a significant period. This can save you money throughout the year on bills such as your energy or gas bill.
- 35% of your credit score is paying bills on time. It used to be 28% but has gone up due to congressional legislation H.R.3621 - Comprehensive CREDIT Act of 2020.

EXAMPLE:

Month	Bill Amount	Amount You Pay	Total on Bill
January	\$100	\$500	-\$400
February	\$100	\$50	-\$350
March	\$100	\$50	-\$300
April	\$100	\$50	-\$250
May	\$100	\$50	-\$200
June	\$100	\$50	-\$150
July	\$100	\$50	-\$100
August	\$100	\$50	-\$50
September	\$100	\$50	\$0
October
November
December

V. AND IT WAS WRITTEN ...DOWN

In order to understand how you can get out of debt and stay out of debt you must know your expenditures for a given month. If your bills total more than your paycheck(s) you have big problems, but for the sake of argument let's say you have money left over. What do you spend it on? Where does your money go? Write it down and there will be no doubt. Although you can keep track of this by having an online account with your bank or by writing your purchases down on a random piece of paper, we recommend a checkbook ledger. Even if you pay for most of your goods online (bills, shoes, shopping, entertainment etc.) you can overdraw from your account, which can lead to some serious penalties if you aren't paying attention.

EXAMPLE:

DATE / CHECK #	EVENT	DEDUCTION/DEPOSIT +/-	BALANCE
3 Jan - #2085	Cell Phone Bill	- \$100	\$400
4 Jan	Coach	- \$200	\$200
6 Jan	Clothes	- \$75	\$125
7 Jan	Club	-\$110	\$15



Online Banking – Online Banking can be especially helpful when checking your balance, spotting miscellaneous fees, and quick transfers of cash from one account to another. However, it is very important to understand that if you pay your bills via mail, that the deductions will not appear in your online statement until the company has cashed the check. If you are not cautious and do not keep track of your own spending, you can find yourself in debt because you trusted the computer rather than your receipts. Match your numbers against the online numbers to make sure your represented balance is accurate. If there is a discrepancy go to your bank and address it. If the bank was in error, they will refund your money. Schedule some time each week to review your account.

Receipts – One way to know exactly where your money goes is to keep all your receipts at least until you record them. Keeping your receipts in your wallet or your purse will force you to sit down and go through and record them before you throw them away. This will not only remind you of what you are spending money on, it will serve as an example of how often you spend money.

- If you recognize that you spend a majority of your money on one item such as entertainment, clothes, cigarettes, etc. you can save by simply buying one less pack a week, or one less pair of shoes a month. Small steps can make a big difference!!!

VI. DO IT THYSELF

Although there are many ways you can cut your spending, one of the most overlooked is the ability to fix, prepare, or even create things for yourself. Being able to change your own oil (car permitting) or grow your own vegetables can go a long way. Doing things for yourself can provide entertainment for the family that is not only productive but also fulfilling. The more things you know how to fix or make yourself the better.

- Things You Can Make/Grow For Under \$10

- 1) Vegetables
- 2) Fruits
- 3) Hair Products
- 4) Beauty Products
- 5) Liquor/Spirits
- 6) Baby Food
- 7) Bread
- 8) Soap (at least the book)



- Things You Can Fix Up Yourself That Cost More Than \$50

- 1) Toilet/Commode
- 2) Clothes (Sewing)
- 3) Sink
- 4) Painting
- 5) Furniture
- 6) Hair (Women & Men)
- 7) Basic car repair/Maintenance

By doing or growing things for yourself you not only save money, you also get the added bonus of knowing where your food comes from and possibly eating healthier. This is just one step on the path to self-reliance and independence.

Packing Your Lunch – It's not the sexy thing to do but bringing in your food from home can save you a decent amount of money

over time, as opposed to going out with colleagues or eating at the work cafeteria.

Crockpot Meals – If you want a meal that will last you a long time, requires just some preparation, and taste good for days, you should invest in a crockpot. Crockpot meals can sustain you and your family for days and usually require limited ingredients. With the assistance of online recipes, you can cook a big meal at a smaller price.

Home Improvement Stores – Places such as Home Depot and Lowes give free tutorials and “how to’s” to people for free on a variety of projects around your house.

Entrepreneurship – Starting your own business can give you the type of freedom and job satisfaction rarely realized [this issue is addressed in further detail in Commandment XIII pg 35-36].



VII. LOVE THY NEIGHBOR

It has occurred to all of us that in order to pay bills you have to have money in the first place. We know and understand times are tough and in some cases after you get paid, if you have a job, you may be out of money before the next payday. For this reason alone, the seventh commandment is one of the most important, “love thy neighbor.” By acting like a true community, you can help each other pull through some of the tough times. One example is to cook one large meal for the week and have your neighbor/friend do the same (meatloaf, spaghetti, etc.) and exchange dishes throughout the week. This will not only save you money while helping each other, it will also allow you and your family to enjoy your mama’s famous spaghetti a little bit longer. Other ideas that can help your neighbor include:

- 1) Throwing rent/ mortgage parties.
- 2) Giving used clothes away (especially baby clothes).
- 3) Carpooling when practicable.
- 4) Planting a community garden.
- 5) Watching each other’s children.
- 6) Swap parties (a party exchanging nice older items with another guest).

Bartering Services – By bartering services you are exchanging skills instead of paying for others.

EXAMPLE:

If you help cater my rent party, I will help paint your living room.

Investment Group – A group of people pooling their money together to invest in stocks, mutual funds, or other vehicles. [this topic is addressed in greater detail in Commandment XIV pg. 39-40]



VIII. USE CREDIT WHEN CREDIT WILL DO

Credit cards are a necessary evil. They can save you from starving and at the same time bankrupt you and keep you in debt for years and years. To make credit cards work for you, you must understand how to use them properly. Suggestions include:

- Have a Maximum of Two Credit Cards Per Person (3 per household) – You don't want to have too many credit cards because it creates the opportunity for you to spend yourself into a hole.
- Keep Your Credit Card Out of Reach – Try to make it a habit to not always carry your credit card with you. It may be a good idea to only carry it on the weekends or when you are going to buy a certain item. This will help decrease the urge to buy based on impulse rather than need. You could also literally freeze your card in a plastic cup and keep it there and only break it out in case of emergency.
- Don't Use Your Credit Card to Pay Other Bills – To use your credit card to pay off another bill is merely delaying the payment on one bill and increasing the amount on your credit card, making the credit card less manageable and payments more expensive.
- Try to Pay More Than The Minimum – As shown in Credit Commandment III, if you pay the minimum on any bill you will not only expand the time of your debt, but also make it extraordinarily difficult to ever get your balance to zero (especially with credit cards).

EXAMPLE:

Payment Information		
Balance		\$13,249.86
Minimum Payment Due		\$ 289.00
Payment Due Date		2/soon/20xx
Minimum Payment Warning:		
If you make only the minimum payment each period, you will pay more in interest and it will take you longer to pay off your balance. For example:		
If you make no additional charges using this card each month you pay...	You will pay off the balance shown on this statement in about...	And you will end up paying an estimated total of...
Only the minimum payment	26 Years	\$28,094.00
\$454.00	3 Years	\$16,356.00 (Savings = \$11,378.00)

- **Build Credit By Having Manageable Monthly Payments** – Use your credit card to buy little things to help build up credit and get your credit score up. By limiting your purchases to items under a certain amount you will be able to better manage monthly payments.
- **Be Able to Pay Overtime** – Make sure you get a credit card opposed to a charge card (such as an American Express). Credit cards are flexible and can be paid off over several months in small chunks. By paying whatever amount you can afford you free up money to pay off other obligations.

EXAMPLE:

If your Paycheck = \$1,000 and your Credit Card Balance = \$500 and the rest of your obligations = \$800, you can pay \$100 against the credit card balance. However, if you use a Charge

Card that has a \$500.00 balance, the entire \$500.00 is due at the scheduled payment time.

- Beware of the Annual Percentage Rate (APR) – When applying for a credit card, be sure to know the APR percentage and, if applicable, when it begins.

DID YOU KNOW:

- The more credit cards you have the higher your credit score could be because you have access to more money. (How backwards is that)
- You must pay off charge cards every month, unless you pay a monthly fee to be able to pay a little less.
- Some credit cards have rewards connected to them you can utilize to get everything from free nights in a hotel to gift cards. These rewards are earned by paying your credit card. Check to see if this applies to any cards you possess.
- If you have two credit cards and you want to get rid of both in favor of getting one card with a higher credit line you can consolidate your credit cards and transfer the balance of the two cards on to your new one. This can not only give you more credit, it can also help your payments if the card you consolidate to has a lower APR.



IX. WISDOM IS BETTER THAN SILVER AND COLLEGE LOANS

College debt can easily become one of the major and compelling financial issues for people ages 22-45 years old. Four-year college cost has tripled with a per year average at \$35,720 (\$54K a year for private school) and about 140K for the full four years and an annual inflation rate of 6.8%. It is true the higher your education the more you earn. This statistic is often trotted out to validate college as worth the debt. Conversely, paying back that validation can take time and money you may not be able to afford to give. The average college debt among student loan borrowers is 33K. There are ways to get a higher education and not have to pay for it for up to a decade after you get your diploma. Here are some suggestions:

- **Consider Starting at A Community College:** Community colleges cost less, have smaller classes, and have transferable credits to a four-year University. The average cost is \$3,300 for Community College per year.
- **Start College Courses Early:** If you have either completed your high school courses or know your major and want to take AP classes you will be able to gain college credit while going to school for free. Keep in mind to be considered a full-time student you need to take at least 12 credit hours per semester; however, you are paying for up to 18 credit hours. If you really want to save money, take as many credit hours as you can responsibly handle to graduate early or on time.
- **529 Program:** 529 programs are state-sponsored investment plan that enables you to save money for a beneficiary and pay for education and expenses. You can withdraw funds tax free to cover nearly any type of college expense. 529 plans offer additional state or federal tax benefits. You can use any state you want.

- **Online Courses:** Most schools now offer many of their courses online including top schools such as Stanford and Harvard. This can cut into the cost of your overall tuition www.harvard.edu/about-harvard/frequently-asked-questions/faq-free-courses
- **Apply For Scholarships Early & Often:** The more you look for scholarships the more scholarships you will find. Find out the details of them and work towards them. Additionally, once you are an enrolled student attending college you can apply for scholarships intended for active students.
- **Apply For College in Another Country:** The cost of college can be significantly lower in other countries depending on what you study. However, outside of the Oxford's of the world, you can get a quality education at decent price even factoring in living expenses and the international student fees. This is an especially good idea for post graduate school.
- **Go For The Best Fit Not The Best Name:** Every overachiever wants to go to the prestigious, world renowned, #1 ranked school. However, these schools are incredibly expensive and may not be meant for every baby genius. Find a school that gives you the most for your money and fits you as a person. Keep in mind the prestigious schools do give you one big advantage, connections.
- **For-Profit Options:** There have been mixed returns when it comes to For-Profit schooling. The beneficiary seems to be more often the school instead of the student, such as "Trump University." Yet, working professionals have earned degrees that have helped boost resumes and in conjunction may have helped them get a promotion.
- **Work Before College & During College:** I know and understand it is incredibly difficult to leave academia and

return. Still, if the child is not ready to attend, whether academically or socially, it may be better for him/her to work and take a year to grow. This can also help financially by allowing more time to save money by getting a job and putting money away for college. This real-world experience may focus a student on their goals when they are ready to attend school. Also, working while in school, specifically for the school, can garner some additional perks such as discounts on books and perhaps tuition. If you have any additional skills, use them to earn money through a side hustle like cutting hair or making sandwiches for your underfed, malnourished associates.

- **Trade School:** Not everyone is meant for the traditional routes of education. If you recognize that you are more interested in cars than calculus, there is nothing wrong with going to a trade school. Remember, everyone needs to get around, wear shoes and clothes, and need a plumber at some point.
- **Military Service:** The United States Armed Forces is one of the best institutions in the world. Not only will it help pay for college, it will also open up several different career paths, and is one of the best creators of leaders in the world.



X. LOVE THY HABITAT I (the place where thy honor dwelleth)

It has long been said the “American Dream” is to own your own house, but people are still having a tough time paying their mortgage, or unable to sell their homes due to houses being ‘underwater’, wage stagnation, or increase in housing cost. Yes, we are living in tough times when it comes to the housing market; however, you don’t have to settle, even in a house you are currently in.

Pre Buy – Before you decide to buy a house you should first list what you want. Is it important to you to have a whirlpool, 3 bedrooms, no stairs, a washer and dryer, and a school close by? If so, put these items and others like it on your list. After you make the list calculate what you know you can afford (agents can help with calculator). After you find out what you can afford, revisit your wants list. This action will help you rank your wants in the proper order of importance. After this you want to research what type of deal you can afford with the understanding of how much each option runs you a month (15 or 30 year fixed?). Once that is decided, bear in mind your future and how the house will play into it. You should try to find a house you can grow into, especially couples, and or a house you can shrink into, specifically for empty nesters and older people.

Post Buy – After buying your home, understand it is a long-term investment and not a short turnaround for profit. Invest in your home and make it the house you want. Increase the value of your home by upgrading items such as the flooring, kitchen cabinets, or bathrooms. Buying a house doesn’t mean you only have to own and live in that specific house. If you put the work into the house, you can rent it out to others who need a place to stay and perhaps move into a home that you feel fits your new needs.

New vs Established Home – If possible, we recommend you get a new home. Don’t get us wrong, there is absolutely nothing

wrong with buying an established home, but here are three primary reasons we recommend getting a new house.

1. You get what you want, within your budget. When buying a new home, you get the opportunity to help pick out the cabinets, flooring, color scheme, number of windows, cable placements, etc. etc. You get the house built to your specifications, within your budget. In the end the extra cost of getting a brand-new house may be a little more money but it will be less of a headache at first.
 2. The appliances and the technology associated with it are all brand new. You don't have to spend money to modernize your home because the latest and greatest is usually built into new homes. No bulky water heater, smart HVAC systems, and unused appliances can help your house stay modern for at least a decade.
 3. If the builder makes mistakes and you point it out to them within a certain period after purchase, they are obligated to fix it for free. So, if you notice there is no hot water in your kid's bathroom but your toilet steams up when it flushes, the builder must repair it.
- **Classes On Home Repair** – If you own a house, you know things break all the time and repairs can cost you big time. We recognize not everyone is a handy man; however, you can learn how to do minor repairs and upgrades at big brand home improvement stores for free.
 - **Get The Property Independently Inspected** – When purchasing a new or established home there will be an inspector provided by the seller. However, to assure yourself a fair and unbiased opinion on the inspection we recommend you get a reputable and independent home inspector. Depending on the size of the property this may cost you a decent amount, but if you avoid having to pay for

a new flight of stairs or HVAC system it becomes an investment well worth making.

- Bi-Weekly Program – If you want to pay off your house quicker and have more money in between paychecks, try to sign up for the Bi-Weekly Payment Program. On a 30-year mortgage, you could pay your mortgage off years earlier. (You must be approved by your lender to participate in the Bi-Weekly Payment Program)

EXAMPLE:

Monthly Payment Program - \$1000.00 per month mortgage (12 payments per year)

Biweekly Program -\$500.00 every two weeks.

This allows you to make 26 payments in a year which equates to an extra mortgage payment each year. On a 30-year fix-rate mortgage, the home will be paid off in 23 years rather than 30 years.



DID YOU KNOW:

- When you own your home, you are responsible for everything, and I mean everything that goes wrong in there. Any handy friends that are willing to help with home repairs and maintenance can really assist in saving money. Keep their numbers on speed dial.
- United States Department of Agriculture (USDA) Loan Program – The USDA program is a government program you can use to help afford a home with low rates and low to no down payment. Although the loan was originally for “Rural Housing” many suburban housing areas are also eligible. You are eligible for the USDA loan program if you have decent credit and a household income for 1-4 members less than \$74,750 or a household with 5-8 members up to \$98,650 (Please check your states requirements). Be aware that you can only own one property at a time to qualify for a USDA loan.
- Federal Housing Administration (FHA) Loan - An FHA loan is a mortgage that is insured by the FHA and issued by an FHA approved lender. FHA loans are designed for low-to-moderate income borrowers. They require a lower minimum down payment and accept lower credit scores than many conventional loans.
- Veterans Affairs (VA) Loan – VA loans is a \$0 down mortgage option issued by private lenders & partially backed, or guaranteed, by the Department of Veteran Affairs. Eligible borrowers can use a VA Loan to purchase a property as their primary residence or refinance an existing mortgage.
- The National Urban League - The National Urban League is a historic civil rights organization dedicated to economic empowerment, equality, and social justice. Founded in 1910 and headquartered in New York City, the Urban League collaborates at national and local levels with community leaders, policymakers, and corporate partners to elevate the standards of living for Black people and other historically underserved groups.

XI. LOVE THY HABITAT II (the place where thy honor dwelleth)

It is one thing to think about moving and an entirely different ordeal to do so. Issues you never would have thought about before all of sudden become your primary concern. Much like Credit Commandment X, we offer several scenarios you should consider making your moving experience as painless as possible.

Selling Your Old House – The one advantage renters have over owners is the freedom to leave without being responsible for the sale of the property. This becomes painfully obvious when you decide to sell your home. Here are a few tips you can use and keep in mind when selling your home and moving into another.

- 1) **Throw Things Away –** We understand, you aren't a packrat or a hoarder, but 9 times out of 10 you have no idea how much stuff you have accumulated over the years until you start clearing out your place. This advice is crucial; throw away as much stuff as you can. Regardless of what kind of residence you are moving into, you want to have the space open so you can make the house into your home.
- 2) **Get An Agent You Trust –** Most everyone knows a person who is or knows a person who knows a person who is involved in the housing business. Yet, finding an agent with your best interest at heart is essential to selling the property for the right amount and in a timely manner.
- 3) **Get Professionals or Veterans –** When it comes to prepping your home for sale, you need to lean on either the people in your life who have been there or hire a professional. Prepping your place can include anything from repainting the walls to re-patching them.

- HGTV – HGTV is a huge help for both getting ideas of how to prep and stage your home to make it look spacious and livable
- 4) Keep It Staged – Once you have the house looking photo ready you must maintain discipline and keep the house show ready. This is extraordinarily difficult to do, specifically if you have children. If possible, try to stay at family or a friend's house during the day after work.



Once you have sold your home, you may have to stay at another location briefly while you close on your new home. This could take from one week to 6 months. Although you may save some money on bills, be aware there are still bills that travel with you no matter where you are such as:

1. Automobile Payments
2. Credit Card Payments
3. Automobile Insurance Payments
4. Life Insurance Payments
5. Cell Phone Payments

Moving is one of the greatest stresses we go through in life. By keeping some of this information in mind it may help you save some of your sanity.

XII. GOD BLESS THE CHILD WHOSE GOT THINE OWN I

For all the people who have children, or one day hope to have some, remember this commandment and keep it close. Involve your child in financial discussions. The more that your child is/children are informed and exposed to finances the better they will handle their own finances. This type of honesty with your children will better prepare them in their transition into managing monetary affairs of their own, such as saving for college or understanding how to deal with rising gas costs. The more the child sees and understands the more likely he/she will act more responsibly in matters of finance. Use these times to teach the next generation about money:



- 1) When you are paying bills (tell them what you are doing and why).
- 2) During family meetings.
- 3) While shopping for any big-ticket item (vehicle, home appliance, etc.).
- 4) When the children/child wants a car.
- 5) When discussing allowance.

Encourage your child to think big. There are children who have bought and invested in properties, started their own businesses,

and made enough money working to pay for their own college education.

XIII. GOD BLESS THE CHILD WHOSE GOT THINE OWN II

Over your formal years of schooling, you were taught a lot about how to work for others but rarely, if ever, have you been taught to work for yourself. Entrepreneurship is a great way you can both achieve your financial and personal goals. By no means are we offering you a step-by-step guide on how to create a successful business, however we can give you some pointers on what to expect when going into business for yourself.

- This is a Business – First, and perhaps the most important thing to keep in mind is this is your business. You can't give things away for free to all your friends and loved ones and expect others to honor you with payment. To be taken as a professional you must maintain a professional mindset. True family and friends will accept this for what it is and support.
- Don't Expect Your Friends to Support – The hardest thing to accept when you go into this venture is the loneliness that comes with it. Although your friends may like and encourage you prior to the start of your business, the chances of them chipping in or supporting are slim. Understanding this will reduce disappointment and enable you to maintain your relationships without resentment.
- Legitimizing and Legalizing Paperwork – You must come to the realization that a business is more than just a good idea and great network. You need to understand that you are responsible for filing and filling out a plethora of paperwork. Below is a list you may need to solidify your business. If you employ a lawyer, they will do most of the leg work with you: (this example is specific to Maryland. Please check for your individual state).

1. Choose A Resident /Registered Agent

2. File the Articles of Organization
 3. Create an Operating Agreement
 4. Obtain an EIN #
 5. Open a Business Bank Account with a Credit Card
 6. Register For State Tax
 7. Obtain Business Licenses & Permits (health, building and signage permits in some cases)
 8. Get Insurance
- Research – In order to give your business a chance at success you must learn to study trends. Use the internet to follow trends and developments in your field. To help give you a leg up in starting your business, we recommend the following books:
 1. The Magic of Thinking Big - by David J. Schwartz
 2. The 16 Laws of Success - by Napoleon Hill
 3. Ask and It Is Given - by Esther & Jerry Hicks
 4. The Magic of Believing - by Claude Bristol & Mitch Horowitz
 5. Think and Grow Rich - by Napoleon Hill
 6. How to Win Friends and Influence People – by Dale Carnegie
 7. Rich Dad, Poor Dad – Robert Kiyasaki & Sharon Lechter
 - Expect to Lose Money – Most businesses lose money before they ever make a profit. We tell you this for two specific reasons. First, have money stored away for your business to get you through the lean days, months, and years. Second, to encourage you to not give up despite the rough start. No new businesses start on third base so embrace the grind and the fact you are doing the thing you love.

Black owned businesses Black Advancement Inc. supports:
All of these links can be found @ <http://www.blackadvancement.com/ba-recommended-websites/>. Links are hyperlinked on digital copies of the Credit Commandments

[JanetLeigh Jewlery](#) - Janet Leigh Jewelry



[Dee's Supplies](#)

[Clarity Window Cleaning](#) - 

[TinaRose Wedding & Events](#) - 

[Herbsday](#) -  HERBSDAY
EVERYDAY HERBS FOR EVERYDAY

[Where's Buffy Podcast Website](#) -



[Tropical Smoothie Café \(Frederick, MD\)](#) - 

[BlackDroog Media](#) - 

[KMVA Brand Co](#) -



[Soul Fire Farm](#) - 

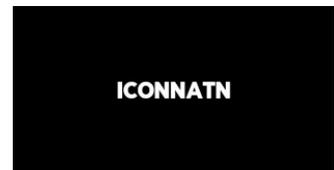
[ODD NINJA Media](#) -



[Georgia Fort](#) -



[ICONNATN](#) -



[Waist Watcher Beads \(on Instagram\)](#) -



XIV. HE WHOM SOWETH BOUNTIFULLY...REAPS BOUNTIFULLY

The final frontier of financial freedom is the ability to have your money make money for you. This can be done in a variety of ways; the most common is to participate in the stock market. Warning...this is not an “invest in company X and you will be rich” thing. This is just an introduction into the world of stocks and trade and how even a person of modest means can invest without breaking their own bank. Here are some tips to utilize prior to venturing into the stock market:

- **Study and Research** – Before putting any amount of your money into anything, you should stop and study. Study the different types of investments you can make, study the type of companies you should invest in, and study how much you should be investing.
- **Do not Time the Market** – We, like you, think of what could have been if we had the extra funds to invest in the market. Sometimes timing is everything, but this is not about timing more than it’s about patience and consistency. To do well in the market you must stay steady in the market through the ups and downs.
- **Diversify Your Investment** – Make sure you don’t put all of your eggs in one basket. Buy stocks in different fields and disciplines to offset any industry trends that fall when you are invested.
- **Do not Invest Emotionally** – Again, steady and studied is the best way to invest. If you invest based singularly on the idea your stock will only go up and if it drops you pull out of said stock you will be leaving money on the table.
- **Invest in Companies You are Invested In** – Simple concept emphasizing that you should invest in companies you like and support by consuming their goods and

services. This could be anything from shoe brands to restaurants.



A great way to invest in the stock market without having to solely depend on your own money and knowledge or an overpaid professional is to join/create an investment group. Investment groups are a group/club that pulls money together at a set time (usually monthly or bi-weekly) to invest in stocks, mutual funds, and bonds. If you decide to create or join an investment group, it is vital you and your partners take the following topics into consideration:

1. Agree on a Meeting Schedule: This schedule will not only help establish the group's sincerity but also comradery. Both are essential to developing trust within the group.
2. Agree on Monthly Investments/Dues: Although investing as a group is a good way to save money when investing, money is still a necessity to fund the group's financial goals. Have your group agree upon a designated time and amount between all the participants to contribute. The best way to assure payment by everyone on time would be to setup an account for the investment group and have each member automatically deposit payments into it.

3. Agree on a Strategy of Investment: Be sure to discuss strategies of what stocks your investment group wants to buy and or sell. By developing a strategy and black boarding the ideas, the group will develop an identity and a certified plan moving forward, creating equal stakes for all in the group.



DID YOU KNOW:

- Bonds are a fixed income investment in which an investor loans money to an entity (typically corporate or governmental) which borrows the funds for a defined period at a variable or fixed interest rate.
- A mutual fund is a company that pools money from many investors and invests the money in securities such as stocks, bonds, and short-term debt. The combined holdings of the mutual fund are known as its portfolio. Investors buy shares in mutual funds.

XV. RENDER UNTO CEASAR

The biggest payday for most of us may be the day our tax returns come back from the State and Federal Government from the past year. Depending on your family income and deductions, a family could receive a substantial amount of money at one time. If used properly, this money could be used throughout the year to rid some lingering financial problems and help long term aspirations of financial freedom.

Here are some things you could do with your tax returns:

1. Put money into the college fund for your child/children.
2. Pay down or pay off your credit card, your vehicle, or your medical bills.
3. Repair your vehicle or things in your house.

By breaking down your needs into a list you can section off your returns to go towards specific items. We render three models tailored for your personal situation in life.

The “Kid Centric” Model

Money Allotted (\$10,000.00)	What The Money Is For
\$3500.00	Child(rens) College Fund = 35%
\$1000.00	Car Repairs = 10%
\$1000.00	Credit Card Debt = 10%
\$2000.00	Emergency Savings Account = 20%
\$500.00	Additional Bills (Medical) = 5%
\$1000.00	Home Repair = 10%
\$1000.00	Miscellaneous (Anything you want) = 10%

The “Bills-Centric” Model

Money Allotted (\$10,000.00)	What The Money Is For
\$4000.00	Non-Fixed Bills = 40%
\$3000.00	Kid’s College/Activities Fund= 30%
\$1500.00	Home/Car Repair = 15%
\$1000.00	Emergency Savings Account = 10%
\$500.00	Miscellaneous (Anything you want) = 5%

The “Self-Centric” Model

Money Allotted (\$10,000.00)	What The Money Is For
\$5000.00	Savings = 50%
\$3000.00	Miscellaneous (Anything you want) = 30%
\$2000.00	Home/Car Repairs = 20%

The “Tax-Management” Model

Rather than loaning the government your hard-earned assets for a year, you can maximize your monthly cash intake by the number of dependents on your W4 to reduce the amount withheld during the pay period. This means the amount you receive each month is higher, but your tax refund is much lower or could even be negative.

DID YOU KNOW:

- If you save \$5,500 a year for your child, they will have \$100,000 by the time they are 18 years old (\$450.00 a month. This total doesn’t include the interest rate).
- You can earn deductions by giving to charities, non-profit organizations, or tithing. Understanding times are tough and you may not have the money to give to charity or a non-profit organization you can earn these deductions by donating clothes

throughout the year to Goodwill or other charities of that same ilk.

- Pre-Tax Payments – Work programs such as 401K and TSP take money out of your paycheck before taxes are taken out. If maintained and managed this can help you retire comfortably, however, if you take money out of these programs prematurely you will be penalized, and back taxes will be taken out of that amount.



XVI. KNOW THYSELF, KNOW THY ENEMY

Nowadays, companies have access to heaps of our personal information. Between the social media sites using our data for their profit, algorithms tailored to your specific interest and shopping habits, and having to provide personal information to sign up for services, our information is more vulnerable than ever. So, it should be no surprise more people are having their identities stolen than ever before. As many as 1 in 10 people are now victims of identity fraud within a given year with 21% of these individuals having been victimized multiple times. Below are 10 suggestions to avoid identity theft:

1. Destroy/shred private records and statements
2. Secure your mail
3. Safeguard your Social Security number
4. Don't leave a paper trail
5. Never let your credit card out of your sight
6. Know who you're dealing with
7. Take your name off marketers' hit lists
8. Be more defensive with personal information
9. Monitor your credit report
10. Review your credit cards statements carefully
 - How the IRS Will Contact You: The IRS initiates most contact with taxpayers through regular mail delivered by the U.S. Postal Service. However, there are special circumstances in which the IRS will call or come to a home or business, such as:
 1. When a taxpayer has an overdue tax bill
 2. To secure a delinquent tax return or a delinquent employment tax payment

3. To tour a business, for example, as part of an audit or during criminal investigations

Criminals frequently try to impersonate IRS employees by calling taxpayers. These imposters are often overly aggressive, demanding, and threatening. If anyone calls you claiming to be the IRS, it probably is not the IRS.

- Sign-up for Identity Theft Protection Program: Like most everything in the world, there is a cottage industry built around protecting your identity. These companies protect your personal data by offering multi-layer protection for your personal information and identity by monitoring your credit and alerting you to instances your information is used.
- Passwords: Use intricate passwords for your computer, email, and online accounts with a mix of numbers, upper and lower-case letters, and permitted special characters. Also, be sure to make each online account password different.

XVII. THROUGH SICKNESS & HEALTH

Family or personal illness is the leading cause of bankruptcy and continues to play an enormous role in American politics. The recent health care debates have become even more contentious. Although it is not the ideal way to spend saved money, considering your health options may save you money in the end when you really need it.

1. Health Savings Account (HSA) – HSA is a tax-advantaged medical savings account available to people enrolled in high-deductible health plan (HDHP). HSA is not subject to federal income tax at the time of deposit and can accumulate year to year if not spent. There are limitations to how much you can contribute into your HSA per year.

Limits: These numbers can vary from year to year i.e., for year 2021

- Single - \$3,600
- Family - \$7,200

2. Health Insurance Through Your Employer – If you are fortunate enough to have a job but also have health care coverage, get the best you can afford. This money will automatically be deducted from your check and therefore will become money you don't miss.
3. Preventive Care – Although recent studies have leaned towards preventive health care as no less expensive as primary care, taking care of your body can be a major investment into your later years and your active life. Here are some health-conscious options:
 - Regular exercise (at least three times a week)
 - Regular physician's visits
 - Holistic/healthy dieting
 - a) High concentration of fruits and vegetables
 - b) Meat, anything in moderation

XVIII. LIFE AFTER DEATH

There are only two certainties in life: death and taxes. Although taxes were addressed in Credit Commandment XV, this Credit Commandment deals with the other side of that maxim. Death is a silent financial killer, no pun intended. The costs of things such as funerals and plots can extend into the five-figure range. Preparing plans for your departure is just as important as preparing financial plans during life. Here are some things you can do for your estate planning:



1. Write A Will – By writing a will you ensure all your assets go where you intend them to go. You should get a lawyer or a notary to help you with all the particulars. If you don't have a will that states who you want your assets to go to, the issue will be addressed during the probate process (court) to decide who gets possession of the assets. This process can be very costly (up to \$300 a day) and can quickly deplete assets if the matter is not resolved quickly.
2. Buy Life Insurance – Please do you and your family a favor and buy life insurance. This bill can be paid either monthly, quarterly, or semiannually. There are two major categories of life insurance: Term Life, which provides coverage for a designated period (10, 20, or 30 years) and Whole Life, which covers the totality of your life. Term Life is less

expensive than Whole Life policies. The earlier you get it the lower your cost will be. Pre-existing conditions can increase the amount you have to pay.

3. Burial vs Cremation – This will be the last party you will ever throw, and it could be very expensive. Traditionally, when loved one's pass, they are given a service to commemorate their life in a place of worship, driven to a cemetery, and buried in the ground with a headstone with their name and time of life engraved on it. We say this to point out that every single act cost money. Consider the cost of your passing and make an informed decision on how you want to go and who is left holding the bag. The average funeral cost is \$7-12,000 while cremation is \$2-4,000.

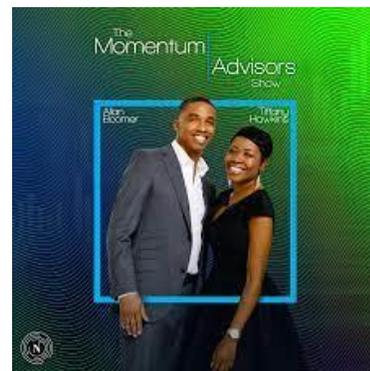
Taking these steps will ensure that the loved ones you leave behind are well taken care of and may be able to enjoy a more comfortable life. By doing this you could began the cycle necessary for generational wealth and will benefit your family for the foreseeable future.



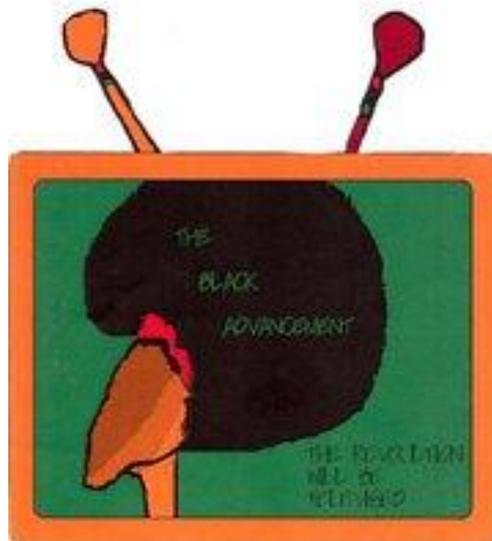
XVI. ASK AND YE SHALL RECEIVE

There is no shame in admitting you need help. Without the assistance of others none of us would be where we are in any phase of our lives. From owning your own business to working for the “man,” somebody taught us, hired us, recommended us, etc. for us to be here. Financial assistance is no different. You can learn all you need to know about the system and how to get your money to work for you through a variety of sources. Here are some suggestions:

Television/Entertainment – Between television, the internet, podcast, the radio, etc. you can get all the free advice you need on how to invest, manage, and maintain your money. (Be aware of scams – especially with online advice).



Black Advancement Credit Commandments – Yes, this is a shameless self-promotion; however, we focus on information most people would be hard pressed to find and things we learned through experience.



Consult Financial Professional – Financial professionals literally study and make a living doing this type of stuff. Some of them even give this advice free of charge.

Magazines & Books — Magazines such as ‘Money’, ‘Black Enterprise’, ‘Fortune’ and others can contain good advice ideas. Same can be said with literature.



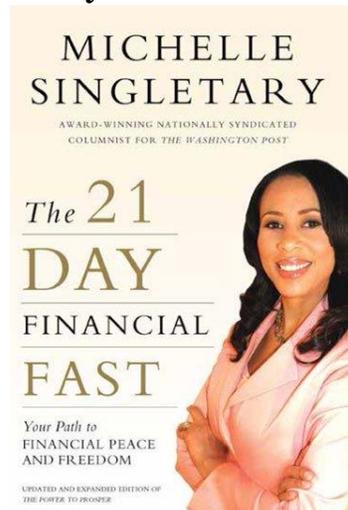
Human Resources Department at Work – HR departments should be your first stop for financial advice. Almost every employer has a HR section which deals directly with benefits afforded to the employees. By utilizing HR, you can better understand your savings and medical coverages.

Checking Your Credit Score – Thanks to the internet, we have more access to more information than ever. This can be a huge benefit when keeping up to date with your credit score. Two good and free sources for this are www.freecreditscore.com and www.creditkarma.com.

Financial Advisers At Your Bank – Every bank has someone who breaks down options you can use to have your money work for you. Whether it is opening a savings account, a college fund, or a mutual fund, these bank employees will give you the information you desire for free (this may not apply with all banks, double check with your specific bank).

Loans - There are several types of loans you could use for a variety of situations. Banks have recently started to give out microloans more readily due to the high rate of repayment from customers. There are several other sources that can help you with other matters such as debt consolidation (Lending Club) and can help you get out of debt a little faster.

Michelle Singletary – Michelle Singletary is an author, columnist and an economist who has great and practical ideas on how to get out and stay out of debt.



MAKE SURE YOU:

- **Go Inside The Bank As Often As Possible:** The better they know you the easier it will be to get good unsolicited advice from them

Although the “Credit Commandments” has been created by Black Advancement Inc., we fully expect everyone who reads this booklet to contribute to it. This is only the 4th edition, and we know that we didn’t capture everything on the fourth go around. So, if you desire to add to these “Credit Commandments” or have comments on how we can improve upon this booklet or our other programs please address them to the Black Advancement Inc. website www.blackadvancement.com or email us at blackadvancement@gmail.com.

Peace & Advance!!!