

Clean out saving, investment accounts and move ahead

written by Special to Arkansas Catholic |



Dave Ramsey

Dear Dave,

I'm 22, and I just recently graduated from college. I'm lucky enough to be walking into a job making \$60,000 a year with a company I interned with during school, and I'll be living with my parents for the next few months. I have about \$50,000 in student loan debt, but I also have \$25,000 in savings, along with an E-Trade account with two single stocks that was given to me a couple of years ago. Those stocks are now worth about \$13,000 combined. Should I sell the stocks to help pay off debt, or put the money from their sale into mutual funds?

Tyler

Dear Tyler,

In situations like yours, I teach folks to pull out any money they have that's not in retirement plans and use it to pay off debt. The shortest distance between where you are now, and wealth, isn't a couple of stocks in an E-Trade account. The shortest distance between you and wealth is becoming debt-free and taking control of your largest wealth-building tool—your income.

If I'm you, I'm going to clean out everything, including my savings—down to \$1,000—and throw it at debt. After that, I'm living on a strict budget with no unnecessary spending until that debt is all gone. Man, with the money you'll make right out of college you can be debt-free, and on your way to building a fully-funded emergency fund *and* wealth, so fast it'll make your head spin.

Get this done, Tyler. Today!

— Dave

Dave Ramsey is a national best-selling author, personal finance expert, and host of The Ramsey Show, heard by more than 18 million listeners each week.