

## Hey Mister, Can You Spare a Dime?

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Have you ever heard that statement? It was a classic statement that you used to hear from a panhandler on the streets. Nowadays things are quite different. They aren't as polite as they once were and they won't settle for a dime! Now they either want to wash your windshield or just stand there with a sign that says "Give me money!"

Well, that's beside the point because we are not here to discuss panhandlers, but we do want to talk about extended warranties. Yes, the warranties that are shown to us after we have pulled together every penny we can get our hands on to buy a product that we really want. Now they hit us with this charge to protect us in case the product breaks, and all it will cost us is just pennies. It's as if they were saying to us at that moment, "Hey mister, can you spare a dime." How do you feel about extended warranties?

Now we are really going to confuse the issue and tell you that this is not about the pros and cons of extended warranties at all. The truth is that some are good and some are bad, but the majority buy the warranty just to be safe. Why not? It's just pennies. That's the point. Who wouldn't spend pennies to protect a large investment?

If you buy a car for \$15,000 today, the extended warranty will cost you about \$800.00. That's not bad when you consider that if you have an engine blow up, all you will have to pay out of pocket is \$100.

Let's go back now to examine where these pennies are going to come from. We will start with \$1 of earned income. Before you can take that dollar home, Uncle Sam wants his share and will take at least 30 cents, leaving you with 70 cents. That is just the beginning. We now spend at least 20 cents on living expenses, such as a mortgage. Fifty cents and counting. Food will take 10 cents, and auto cost and repairs will take another 10 cents, leaving you with 30 cents. I hope you will save five cents. Entertainment/vacations will take 10 cents, and if you have kids or buy clothes there goes another 10 cents. What's left? Only five cents.

Hey mister, can you spare a dime? No, you can't! All you have left is just five cents. Not much to show for all your hard work. Now a question for you. Don't you think it's time to consider an "extended warranty" for your family on you? You can get one that will not only give your family a warranty on you, but if you don't "break," you will get all of your money back that you paid for the warranty plus interest. How does that sound to you?

Let's explore extended warranties a little further. That one on your car is only good for three years, so when you get a new car, you need to purchase a new warranty. If you are age 30, and purchase new cars every three years until you are age 65, if you pay \$800 for the extended warranty every three years, you will pay a total of \$9,328. If you have no problems, how much do you think they will send you back at age 65? If you said zero, you are right. Wouldn't it be nice if they would send you all of your money back plus interest? Well, don't get excited because that will never happen on an extended

warranty, except one that your family can have on you.

For less than five cents on the dollar, your family can purchase an extended warranty on you so if you "break," the money needed for the family to live on will continue to flow. If you don't "break," you will get all of your cost back plus interest. You and your family can't lose. If you can't spare a dime, maybe you will consider spending less than a nickel to get an extended warranty for your family. Why not ask them if they think it is a good idea?

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