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**Financial Principles – Modern Day Tom Walkers**

**Financial Principle #1 - There are no shortcuts to wealth!**

**1. Tom Walker’s “ill chosen” shortcut leads him to his meeting with the devil, which then leads to his ill-gotten riches. What are some modern day shortcuts to wealth?**

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**2. What usually happens when people take these shortcuts?**

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**Financial Principle # 2 - Understand interest rates**

**3. Compare Tom’s interest rate, 4% monthly, to an average mortgage rate of 6% annually. Many see the 4% and assume it is better. Why is this not the case?**

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**4. How do lenders often try to trick us? Where do they hide the details?**

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**Financial Principle #3 - Payday loans are bad**

**5. What happened to the people Tom loaned to if they couldn’t pay? What could happen to you in this situation?**

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**6. Can people avoid being taken advantage of by this type of lender? How?**

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**Financial Principle # 4 - Just because a lender acts like he cares about your best interests, all he really cares about is INTEREST.**

**7. How can people avoid falling for these kinds of tactics?**

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**Financial Principle # 5 -Avoid credit card debt**

**8. Tom Walker could not have gotten so rich if the people of Boston were not such “eager speculators.” How is buying things on credit similar to speculation?**

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**9. What can people do to avoid credit card debt?**

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**Financial Principle # 6 - The choice of whether or not to “make a deal with the devil” is yours alone.**

**10. Ultimately, it was Tom Walker alone who made the choice to deal with the devil. How can people today make sure that the financial choices they make are wise ones?**

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