Outline of the Book's Content

The book begins with a Preface that indicates the premise of the book, then describes roughly what it contains, the intended audience, the author's credentials, and how to use the book. Following the Table of Contents, there is an Introduction that stipulates the fundamental rationale of the book, what educational gap it remedies, and the potential value to the reader. In this Outline, we give a very brief chapter-by-chapter description of the topics and issues covered in the book. The main content of the book is organized in 13 chapters within 3 parts. They are:

I. Basic Money
   1. Saving for a College Fund
      Bank interest; simple annual interest; compound interest; frequency of compounding; computing how much a single deposit will grow into over the years with compound interest; computing how much you must deposit in order to reach a predetermined goal in a certain number of years; dealing with changing interest rates.
   2. Investing for a College Fund
      The difference between saving and investing; computing how much an account, into which regular deposits are made, will grow into over the years with compound interest; computing how much you must deposit regularly in order to reach a predetermined goal in a certain number of years; comparing account values of lump sum programs to regular deposit schemes; how to estimate answers to computations.
   3. Taking into Consideration Taxes and Inflation
      Defining, measuring and understanding inflation; inflation as a form of negative compound interest; the effect of inflation on savings and investments; coping with inflation; income taxes, tax brackets and marginal tax rates; the effect of income taxes on savings and investments; coping with taxes.
   4. How Tax-Deferred Accounts Can Help
      How income taxes influence your behavior; the meaning of tax-deferred; comparing tax-deferred and taxable investments; measuring the effects on both low income and high-income individuals.

II. The Facts of Life
   5. Your Paycheck: What is Your Salary Really Worth
      Deductions from your paycheck—taxes, non-tax but mandatory, optional; gross pay, net pay, and after-tax pay; the freedom quotient (after-tax divided by gross); strategies for maximizing your freedom quotient; the "freebee," "pay yourself first," and estimated tax payments; the difference between deductions, exemptions, and credits.
   6. Buying a House or Car: Mortgages and Loans
      Home loans and car loans have the same structure; collateral; how to compute the monthly payment; the portions that are interest or principal; comparisons
between financing and paying cash; a closer examination of the similarities and differences between car and home loans; loan balances over time.

7. Buying or Leasing Your Car
   Three methods to purchase a car (for cash, finance, lease), an explanation of the lease concept; financial components of a lease and how lease payments work; the dealer's role; how residual values and lease lengths affect monthly payments; psychological factors; monetary comparison of the three methods; a surprising conclusion; coping with a lack of spare cash.

8. Owning or Renting Your Home
   New homes versus existing homes; home ownership versus rental; monthly costs; a detailed monetary comparison of monthly expenses between home ownership and rental; values of homes you can buy for monthly expenses equivalent to a rental; non-financial considerations in the decision; a firm recommendation for ownership.

9. Insurance
   A precise definition of insurance; insurance is a bet; factors that enter into the decision to buy insurance; the various kinds—health, automobile, home, life, disability, umbrella, business, long-term care; other products, which you don't think of as insurance, but which qualify according to our definition (for example, extended warranties, stock options, pre-nuptial agreements); Social Security, Medicare, Workman's compensation; unemployment insurance; the basic principles that should guide your insurance purchases.

10. Cut Up those $#^& Credit Cards
    Why we use credit cards; the history of credit cards; how they work; the main features and some of the dangers; credit cards as a weapon for you; avoiding credit card debt; credit card facsimiles (debit cards, ATM cards, lines of credit).

III. Accumulating Wealth

11. Gambling: Can I Win the Lottery
    The universal desire to "be rich"; gambling as a tempting method to fulfill the desire; different gambling scenarios; basic probability; the expected value of a game; understanding odds and how they are determined; the numbers game (or lotteries) are particularly insidious; why state sponsored gambling is a tax; how to gamble if you must.

12. The Stock Market and Other Investments
    The basic axioms of a sustained investment program; stocks, bonds, and mutual funds; other investment vehicles; a mathematical model for a regular investment program—what you can expect to achieve; implementation and recommendations; some helpful observations.

13. Retirement
    The generally accepted wisdom on retirement income needs; sources of retirement income; the role of your investment program in building a nest egg; how much money do you need; how long will your money last; a mathematical retirement model; more on defined benefit plans; non-financial retirement advice; a final summary of the book's contents.