



It's a Good Idea to Use "Other People's Money" to Buy Your Boat

There are several reasons to finance your boat or yacht purchase. In reality, it may cost you more if you pay cash. Sounds crazy, but consider these options on financing versus paying cash:

- Free up your cash for other investments – like college tuition or business ventures which could carry higher borrower costs, or to purchase investments that offer an attractive return like real estate
- The interest expense on the boat loan may be deductible as a 2nd home – check with your accountant to see if it will qualify
- Let your money work for you – your after-tax interest expense could be less than what you may earn on high-yield investments
- Equity loans are not readily available if you need cash later – you won't be able to get the money out of your boat until you sell. However, you can recoup a portion of your cash if you finance within 180 days of purchase

- *Peggy Bodenreider*

