Snider Advisors

Interest Rate Planning Worksheet

This is an extra resource to go along with the original article:

How Rising Interest Rates Could Impact Retirement Portfolios

Debt

Lock in lower rates on your loans

Mortgages

- Consider making a purchase sooner: The mortgage payment on a $200,000 home increases by approximately $100 per month with each 1% increase in rates.
- Lock in low rates with a fixed rate loan instead of an adjustable rate mortgage.

Other Debt:

- Try to reduce or eliminate high cost "bad debt" like credit cards and car loans.
- Any adjustable rate loan will charge you more interest if rates continue to rise.

Savings

Use interest bearing accounts

Is your financial institution paying a competitive rate?

- "Big Banks" offer some of the lowest paying checking and savings accounts. Make sure your cash is earning you interest on a monthly basis.
- Online High Yield Savings account are a great place to store extra cash and your emergency fund. Most pay a great rate that automatically increases when rates rise.

Investments

Evaluate your portfolio allocations

Bonds

As interest rates go up, bond prices go **down**!

- Shorter term bonds will be hurt less by higher rates.
- Consider floating rate or inflation-protected bonds.

Stocks

- Evaluate your current stock vs bond mix.
- Boost income with covered calls and strategies like the Snider Investment Method.
- Diversify internationally with companies less affected by domestic interest rates.

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