

Interest Rate Planning Worksheet

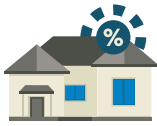
This is an extra resource to go along with the original article:

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.