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Welcome! This month, we're taking a bit of a different approach and offering a potpourri of different tips and helpful information to enhance your financial planning knowledge.

Hope you find this change of pace helpful. Best wishes for a wonderful 2012 and remember we're here to help you stay *On Course!*

-Jennifer Lane, CFP

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Tips & Bits

Here are some tips about women and planning, refinancing decisions, and beginning-of-the-year tax planning that you may find useful.

Women and Financial Planning

According to a recent study, women, on average, live 8 percent longer than men and will likely earn less over their lifetimes. These statistics are another reason why women need to take a serious look at how they plan retirement – no matter what their age.

- If you're just starting out, think about the earning power of your job and career, learn to budget, and start an investment account as soon as you can.
- Strive to help make your 40s and 50s your peak building years. Focus on growing your wealth but don't neglect your biggest asset – your health. If it takes paying a trainer or signing up for yoga to get you moving, do it. Learn about investing beyond your 401k or 403b at work. Help your children become independent, too, and don't over support them.
- If you're retired and are not the financial decision maker in your household, get more involved with your money. You don't need to take over the process, just start asking questions so you can make informed decisions (there are no dumb questions – and you should fire the advisers who make you feel as though there are.)

Refinancing Decisions

With the current low mortgage rates, stagnant real estate market, and economic uncertainty, more and more people are considering refinancing. Whether refinancing is right for you depends on your current mortgage term and your retirement horizon. While it's certainly good to look at refinancing to save on interest, remember that your ultimate goal is to pay the mortgage off – that will, in the end, save you the most money.

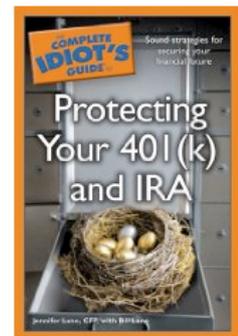
- A good rule of thumb when you're considering whether to refinance is to know how your monthly payment breaks down in terms of interest versus principal in your current mortgage. You pay much more interest than principal at the beginning of the loan and, as the loan matures, the interest portion grows smaller as the principal grows larger. So, look at the total interest you will be paying on your current mortgage versus the new mortgage. [BankRate.com](#) has a good calculator that will help you see the difference easily. This should help you decide.
- If you have a second mortgage for PMI (private mortgage insurance) purposes, it might make sense to refinance and fold both mortgages into a new one. Check [Zillow.com](#) for an estimate of your house's value. Check [AnnualCreditReport.com](#) for your credit score. You'll want to score 720 or



Jennifer's Hint

One of the really amazing things about retirement accounts is that you can name any beneficiary you want for the account, and that person or trust or organization gets the money after you're gone, no matter what. Retirement accounts are not controlled by the probate process and your will.

Get more tips in Jennifer's book



(click here for link)

Helpful Websites

[AnnualCreditReport.com](#)

[BankRate.com](#)

[Mint.com](#)

[MoneyStreet.org](#)

above to get the best rates. Remember, it's best not to extend the mortgage term if you decide to refinance.

- If you're thinking about refinancing but are close to retirement, use the opportunity to do some financial and retirement planning. Think about how you envision your retirement – not only where you'll live but also what lifestyle you want to have. This should help you decide whether you will retire and stay in the home or will want to sell it. How long you plan to be in the home will help determine if the fees to refinance it will be worth it. Get a critical evaluation of your home to see how it stands in the current real estate market. If it all works, refinancing may make sense as long as you don't extend your mortgage term.

NAPFA.org

SSA.gov

Zillow.com



Beginning-of-the-Year Tax Planning

Oh, yes, we're ever so close to the beginning of 2012. Before your life gets even crazier, here are some tax planning tips.

- Have an energy audit to make sure you won't have any surprises when the snow flies. As many people found out in late October in the northeast, weather happens and you need to be prepared.
- For home and auto insurance, re-read your policies for deductibles and evaluate whether to change them. Check on your life insurance to see if the amount is too high or too low. If you have disability insurance from work, be sure that you're signed up for that as well.
- Make an appointment with your financial planner to look at your asset allocation. Rather than overreacting to the market volatility by going directly to cash, you may be able to make adjustments that will fit the current market better.

Q&A

Q: I am a 55-year-old widow. My husband would have been 65 this year, and I need to get his Social Security benefits. How do I go about that?

-- June, Walpole

A: June, the first thing to do is go to the Social Security website at SSA.gov and click on the Survivors tab. You will be eligible for a reduced benefit when you turn 60 so you have a few years, but it will be good to learn now about what you need to do and how it will work.

What's New

- **Jennifer's Compass.** Jennifer recently spoke on NECN about the upcoming Social Security increase. Click [here](#) to watch the segment on her blog.
- We now have a Facebook page. Visit www.facebook.com/AskJennifer and like us!
- Jennifer appears on NECN every other Monday morning at 9:30 am in addition to her Tuesday 5:00 pm and 6:30 pm appearances.

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