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On Course | February 23, 2021 | Volume 21, #2

Welcome. We at Compass Planning appreciate the understanding and support from all of you as we move through this pandemic. Thank you.

This month we talk about ways our clients have changed their financial perspectives during these past months.

You may have missed our recent series on retirement. For Retirement, Part 1 - Retirement Savings, click [here](#). For Retirement, Part 2 - Social Security, click [here](#). For Retirement, Part 3 - The Retirement Paycheck, click [here](#).

If you need assistance organizing your finances, we are here to help you stay *On Course*!

Jennifer Lane, CFP



Know your money type. To decide your type, think of a horizontal line moving between the extremes of saver on the left and spender on the right. Where you fall on the scale will indicate how you interact with money. Remember there is no bad type. Knowing where you fall on the money-type scale is important not so you can change your type, but so that your

COVID Lessons Improve Financial Security

When creating and managing a financial plan, we try to think of the worst, the best, and the most likely scenarios. Even so, no one ever predicted a

worldwide pandemic would kill and sicken millions, put even more out of work, and keep those of us who are lucky enough to be able to work from home pinned to our computer screens. Both our clients and we have faced the good and the bad things that life usually brings, except we did it under a greatly altered reality.

The vaccine is here. We're hopeful that by Labor Day things will seem a bit more normal. In this difficult time, many of our clients have found silver linings that make life better for themselves and their neighbors. Following are some of these lessons that may improve your financial security so you can be there for your family and your community.

Spending Purposefully to Build Savings and Pay Off Debt

Three months into the shutdown, we met with a couple who ecstatically announced that they were about to pay off their five-figure credit card debt. One more paycheck and they were done. They had converted their restaurant and entertainment spending into extra debt payments. Paying the credit card balance as they received each paycheck meant reducing a big balance when the statement closed as well as serving to temper their spending. They also worked to keep the balance from rebuilding once they resumed dining out. Paying the cards mid-billing cycle helped their credit scores because a lower balance is reported to the credit bureaus as the final statement balance.

Tracking Expenses

If you cover your bills easily each month, it may seem hard to justify the time and attention it takes to track your expenses. We get that. For many clients 'COVID-times,' as some have called the past 12 months, have changed what they thought their near- and far-term future might look like. Some clients plan to move closer to family, some have moved at least part-time to their vacation homes, and some have bought or rented homes further from work. Clients whose job stress levels increased are thinking of retiring earlier; while others, released from their commutes, are planning to work longer if their jobs stay remote. Many of these changes happened quickly, and those decisions were smoothest for those who already had good estimates of their expenses.

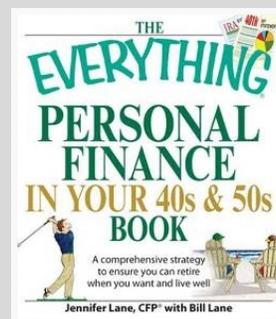
There are many ways to track expenses: apps like [MINT](#) and [YNAB](#), budget trackers on bank and brokerage websites, credit card annual reports, Excel worksheets, and paper and pencil all work depending on your preferences. Remember that expense tracking doesn't need to be fancy to help support financial goal planning. First, understand your housing and kids costs. The remaining items are personal expenses. For many plans, you don't need more detail than that.

Automating Savings

Many clients faced pay reductions last year. Some of those whose pay went back to normal increased their retirement plan contributions at work or

self-understanding lets you think about how to implement your financial plan in a way that will work best for you.

Get more tips in Jennifer's book



Buy Now

Jennifer and Sarah were both named 2021 Boston Five Star Wealth Managers.



Jennifer Lane

Principal

2012 • 2013 • 2015 • 2016 • 2017 • 2018 • 2019 • 2020 • 2021

Sarah Stamp

Financial Planner

2017 • 2018 • 2019 • 2020 • 2021

Helpful Websites

[MINT](#)
[YNAB](#)

started automatic savings to their investment or IRA accounts. This year we had several parents and grandparents start or increase their monthly 529 plan savings to qualify for state tax credits where available.

Our Perspective

I've often thought how fortunate we at Compass Planning are to work as financial planners. Ours is a view that few people see. Because of our clients, we have come to understand how the world, our choices, and, sometimes, pure chance shape our access to financial security. If we are open to them, the lessons of COVID have and will uncover unexpected paths to improve our future.

Jennifer In The Media

Below are links to Jennifer's frequent contributions to financial planning articles.

- Jennifer contributed to a timely article, ***How to seek forbearance on your mortgage***, for **The Boston Globe**. [Read article.](#)
- If you're interested in dividend funds, Jennifer contributed to **The New York Times** article, ***Dividend Funds Can Add Income, and Risk, to Your Portfolio***. [Read article.](#)
- Jennifer contributed to a **BankRate** article, ***Should I combine my mortgage and student loans?*** [Read article.](#)
- Need help with your 401(k) during the pandemic? Jennifer contributed to a **Boston Globe** article, ***Five tips for managing a 401(k) during the pandemic's turbulence***. [Read article.](#)
- Jennifer contributed to the **Bottom Line Inc** article ***Prepare your Finances for a Possible Recession***. [Read article.](#)
- Jennifer contributed to **The Wall Street Journal** article ***If Saving During a Pandemic Is Hard, Here's How to Stay Motivated***. [Read article.](#)
- The **New York Times** featured Jennifer in an article titled, ***Balanced Funds Don't Inspire Fear or Greed. That's Why They Are So Useful***. [Read article.](#)
- With a contrarian view, Jennifer contributed to an article, ***People are enraged by the idea that you should have twice your salary saved by the time you're 35!*** published recently by **Business Insider**. [Read article.](#)
- Moving in together? Check this article from **Business Insider**, ***Five questions you and your partner should answer before taking the biggest step in your relationship***. [Read article.](#)
- **Insider** asked Jennifer to contribute to an article on old fashioned ways to manage your money, ***Six money-saving tips your grandma used that are way more effective than any budgeting app***. [Read article.](#)
- Jennifer contributed to an article on **Business Insider**, ***This is the best way to do your taxes online - according to experts***. [Read article.](#)
- **CNN Money's Money Moves** featured Jennifer in an article on how to strike the right balance between retiring early and saving enough. [Read article.](#)
- Jennifer contributed to a **CNN Money** article ***When is the Right Time to See a Financial Advisor?*** [Read article.](#)

Compass Planning News

- Compass Planning continues to meet with clients as well as those interested in learning more about the firm via phone and web-based video conferencing. Email info@compassplanning.com to learn more.
- Compass Planning has become a supporter of [The Center for Financial Planning](#) at the sustainer level. The CFP Board created the center to achieve a more diverse and sustainable financial planning profession so that every American has access to competent and ethical financial planning advice.
- Compass Planning is a sponsor for this year's YW Boston's [2020 Elevating Lives Series](#). YW Boston's Elevating Lives Series is a curated event series that focuses on areas relating to the YW Boston's mission of

eliminating racism and empowering women. The series convenes thought leaders from across sectors for transformative discussions that help elevate lives.

- AdvisoryHQ named [Compass Planning](#) as one of the ten best Boston financial advisors. ([Disclosures](#))

Compass Planning Associates helps families, individuals, and small-business clients achieve financial security, knowledge, and control over their money. Our fee-only, client-centered approach provides education and guidance for achieving financial goals and dreams.

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