



COMPASS
PLANNING ASSOCIATES

Fee-Only Financial and Investment Planning

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On Course

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Welcome. The questions everyone worries about. Am I saving enough? Should I save more? Obviously, the answers vary from person to person and household to household. The go-to rule of thumb has been 20 percent of income should go to savings. Saving for the future is challenging regardless of your income given the ever present demands for your money TODAY. Read on for tips to help you start saving now.

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 on how best to save for your personal circumstances, we are here to help you stay *On Course!*

Jennifer Lane, CFP

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Take the urgency and pain out of unexpected expenses by planning ahead. With an old car, for example, you should anticipate a regular amount of maintenance. Make an educated guess about how much repairs could cost yearly, then calculate how much you should put away each month or paycheck. Then you'll have the funds when you need them.

How Much to Save

Begin by tracking your spending

- You have to know what you spend now to give yourself a framework to plan from.
- You learn the level of savings your cash flow can support by knowing what you spend!
- So, start tracking your spending now!
- You can choose among great budgeting tools such as [MINT](#), [YouNeedABudget](#), or [Personal Capital](#).

Saving for emergencies

- Having an emergency fund is crucial to help cover those unexpected bills/life events.
- You want to have up to six months of spending readily available.
- Over time, build up to this cushion of cash in an interest savings account.
- Check out [Bankrate](#) or [BestCashCow](#) to find a high interest rate bank, generally online banks.

Prioritize savings

- Sometimes the biggest challenge with saving is determining where to direct the savings, e.g., college (saving or loan payoff), retirement, new home down payment, or home project.
- Ultimately, saving is a balancing act. Make sure you are doing what you can for retirement while juggling the other pieces of your life.
- Always, always take advantage of an employer match on a 401(k) or 403(b). It's free money!
- Focus on paying off debt -- highest interest first.
- If your income is below the threshold, contribute to a Roth IRA to take advantage of tax-free growth.

Financial planning

- Developing a financial plan that accounts for both short-term and long-term goals will give you the clearest picture of how much you need to save.
- Find a fee only financial planner to help you build a financial plan and set savings target.
- [NAPFA](#), [CFP](#), and [FPA](#) all have "find a planner" links.

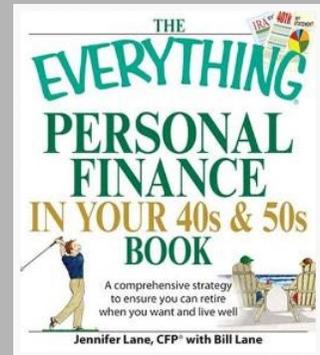
The SECURE Act

Also known as "Setting Every Community Up for Retirement Enhancement Act." Passed in December 2019, the act has implications for investment, tax, and estate planning.

- The act pushed back the age at which retirement plan participants need to take required minimum distributions (RMDs), from 70 1/2 to 72 and allows traditional IRA owners to keep making contributions indefinitely as long as they have earned income.
- It should become easier for small business owners to set up "safe harbor" retirement plans that are less expensive and easier to administer.
- Many part-time workers could be eligible to participate in an employer retirement plan.
- The act mandates that most non-spouses inheriting IRAs take distributions over 10 years instead of their life expectancy.
- The Act allows 401(k) plans to offer annuities.

Jennifer answered questions about The SECURE Act during her recent segment on NECN. [Click here](#) to watch.

Get more tips in
Jennifer's book



[\(click here for link\)](#)

Helpful Websites

[Bankrate](#)

[BestCashCow](#)

[MINT](#)

[Personal Capital](#)

[YouNeedABudget](#)



Jennifer in the Media

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

- Jennifer contributed to the **Bottom Line Inc** article "Prepare your Finances for a Possible Recession." Click [here](#) to read the 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.**" Click [here](#) to read the 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**. Click [here](#) to read the article.
- Moving in together? Click [here](#) for the article from **Business Insider**, "**Five questions you and your partner should answer before taking the biggest step in your relationship.**"
- **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.**" Click [here](#) for the article.
- Jennifer contributed to an article on **Business Insider**. Click [here](#) to read "**This is the best way to do your taxes online - according to experts.**"
- **CNN Money's Money Moves** featured Jennifer in an article on how to strike the right balance between retiring early and saving enough. Click [here](#) to read the article.
- Jennifer contributed to a **CNN Money** article "**When is the Right Time to See a Financial Advisor?**" Click [here](#) to read the article.
- Jennifer contributed to **The Wall Street Journal** article "**The Biggest Money Mistakes We Make -- Decade by Decade.**" Click [here](#) to read the article.

Compass Planning News

- Jennifer recently talked about **The SECURE Act**. Click [here](#) to watch the segment on her blog.
- Compass Planning helped to sponsor YW Boston's two-part **2019 Elevating Lives Series**.
- AdvisoryHQ named **Compass Planning** as one of the ten best Boston financial advisors. ([Disclosures](#))
- Jennifer appears on NECN every other Monday morning at 9:30 am.



Jennifer and Sarah were both named
2020 Boston Five Star Wealth Managers.

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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