



Nickels & Dimes

WELCOA'S ONLINE FINANCIAL BULLETIN

The Right Mortgage For You

How do you select a mortgage that's best for you? Here are a few tips that will help you make a good mortgage decision:

Keep your mortgage affordable—Lenders typically want no more than 30% of your gross monthly income to go toward your monthly mortgage payment, home insurance and property taxes.

Shop around for the best rates and fees—There is incredible competition for mortgage loans. Request a "Good Faith Estimate" from prospective mortgage lenders. This will list the interest rate, terms of the loan and all fees associated with the loan. Prices vary, so get several quotes.

Seek a fixed or guaranteed rate—most people plan to be in their homes for at least 5 years. If that's the case for you, the certainty of a fixed rate eliminates any surprises associated with rising interest rates.

A good online source for mortgage rates and lenders that service your area can be found by visiting www.bankrate.com. Remember to get quotes from several mortgage lenders to find a mortgage that's right for you.

Source: Bankrate.com

My Best Idea for Building Financial Independence

By Jeff Rubleski, MBA

I've had the opportunity over the past 20 years to offer financial advice to people of all ages and income levels. From this diverse experience, I've concluded that the single best piece of advice I can give to build financial independence comes down to this: Pay yourself first by saving 10% of your income. If you make this a habit throughout your career chances are that you'll build a solid foundation for a comfortable retirement.

Compound Interest

Paying yourself first sets into motion the most powerful financial treasure that is available to all of us—compound interest. One of the best ways to harness the awesome power of compound interest is through employer retirement savings programs or through IRA savings. Over a period of years a diversified mix of stocks and bonds (typically mutual fund investments) will provide an annual tax-deferred return that exceeds the rate of inflation, providing the growth needed to build long-term wealth. By sticking with a diversified portfolio of stocks and bonds through all market cycles, you'll make compound interest a powerful partner in your long-term financial success.

...I've concluded the single best piece of advice I can give to build financial independence comes down to this: Pay yourself first by saving 10% of your income....

Savings Match

Automatic saving is the best way to save at least 10% of your income. Most employers offer payroll deduction, which makes saving convenient and easy. If your employer offers a savings match through a 401(k) or other savings vehicle, you'll save toward your goals even faster through the matching funds provided by your employer.

Start Small, Increase Annually

Saving 10% or more is not easy, but for most people it is attainable with planning and setting spending priorities. If 10% isn't attainable now, try 5% and commit to increasing your savings by 1% per year until you reach 10%. By doing this, you'll be on the road to saving 10% of your earnings in just five years!

The Best Gift

Take the time to determine your options to save through company-sponsored payroll deduction plans. By saving and investing 10% of your hard-earned dollars, you'll give yourself a gift that will endure—the gift of financial freedom.

