

## SAVE the DATE

Saturday—11:00am–1:00pm

October 2nd, 2021

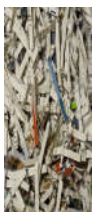
Shredding Event



Join us for our shredding event and get rid of old documents securely!

We will have a food truck, live music, apple cider and pumpkin giveaways

Hope to see you all!



Please invite guests to attend the event!



More details to follow

## Are We There Yet?

Vacation season is upon us! With vaccination rates increasing, travel & social distancing restrictions have been eased. People are ready to see the world again and get out of their houses. I remember my parent's loading up the station wagon and heading off to a new adventure with us kids in the back. Before the trip, there was a call to the Mobil Travel Guide to get the maps & routes needed to get us safely to the destination. We'd follow the highlighted route across country until we arrived at the vacation spot.



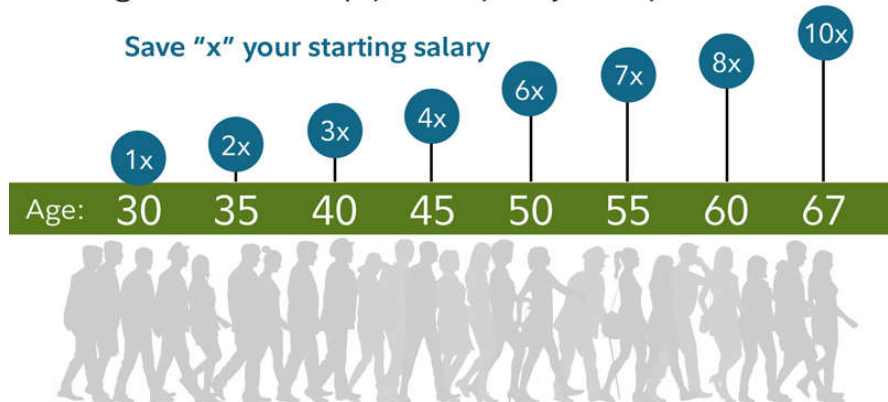
Dave Verbeke  
Financial Advisor

In many of my meetings with clients, I get the same questions I used to ask from the back seat: When are we going to be there? How much longer? Does the hotel have a swimming pool? Now the questions are: Am I saving enough? How much longer do I have to work? Can I retire to a warmer climate (with a swimming pool)? Just like my parents would consult the Travel Guide to make sure we were on the right path, we are here, as advisors, to help you on your journey to retirement.

It's helpful to check the mile markers to see if you're on the right track. There are some quick financial benchmarks to see how you compare. Since the goal in retirement planning is to replace your income once you retire, many of these ratios use your gross pay as a factor.

Category	How to calculate	Goal
Emergency Fund	Cash/monthly fixed expenses	3 to 6 months
Housing debt ratio	Housing costs/gross pay	Less than 28%
Total debt ratio	Housing costs+other debt pmts/gross pay	Less than 36%
Retirement savings rate	Contributions+employer match/gross pay	10% to 15%

## Savings factors to help you on your journey to retirement

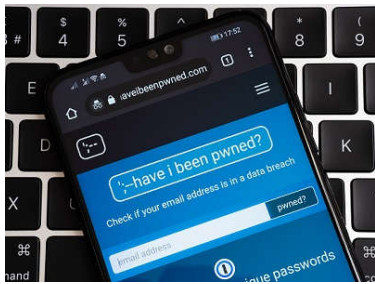


Are you headed in the right direction? These ratios are just quick goals for you to compare with your retirement strategy. Nothing replaces a personalized financial plan prepared for you by our firm. Schedule an appointment with your Financial Advisor to check your progress and help you reach your goal.

‘;--have  
i been  
pwned?

Want to see if your email or phone number has been compromised? Enter your email or phone number into the website below to see which websites had your data and were hacked. Consider changing your passwords, using different passwords for different websites, and enrolling in two-factor authentication when available!

<https://havebeenpwned.com/>



**We hope you are  
enjoying your summer!**



**Webb Financial Group  
provides comprehensive wealth  
management solutions to  
individuals and businesses.  
For over thirty-nine years, we  
have helped our clients achieve  
financial security.**

Michael Bischoff, CFP® & COO  
Gary Webb, RFC®, CKA® & CEO  
Dave Verbeke, Financial Advisor  
Tim Greife, Financial Advisor  
Michelle Brennan, FPQP™  
Financial Paraplanner  
Kristi Mattiuz, Controller  
Ryan Cobb, Financial Advisor

## Interest Rate Mortgages and Housing

Everybody is talking about rising mortgage interest rates, the housing market, and the effect of higher rates on US equities. What can we expect?

Let's begin by putting things into perspective. Yes, some rates have shot upward rather quickly. The sharper rate increases have actually been on the shorter duration notes, such as the 5-year Treasury Note, but the widely-followed 10-year note has also increased. That said, rates are still on the extremely low side from a historical perspective, especially 30-year mortgage rates!



Gary Webb, RFC®

30-year fixed-rate mortgages are still at *historically low levels*, even with the recent uptick.

Since rising rates have not been a topic for a while, the recent increase has caught many people off guard. Let's drill down to the actual movement of the 30-year fixed-rate averages over the last few months.

The average rate dipped between 2.65%-2.75% during the first couple of months of 2021 and has since risen to the average rate of 3.05% at the most recent measurement. Keep in mind, **these percentages are averages**. Many borrowers will get higher or lower rates based on their credit profile, down payment, type of loan, and more.

No surprise here: housing inventories have remained low. According to the Realtor.com February housing report (released in March), inventories have continued to decline nationwide. National inventory declined by 48.6% year-over-year, while median listing prices increased 13.7% compared to last year.



Even with the recent uptick in interest rates, there just doesn't seem to be a big enough supply of homes for sale. Where are the sellers?

Americans have taken advantage of the record low-interest rates at a feverish pace. According to Freddie Mac, U.S. homeowners cashed out \$152.7 billion in home equity in 2020, a 42% increase from 2019 and the most since 2007. As many Americans have used proceeds to make upgrades to their homes since the pandemic began, this influx of home improvement capital has seemingly increased average home values.

The million-dollar question! While nobody knows for sure, experts have mixed predictions on the direction of rates for this year. One thing is certain: 30-year fixed mortgage rates are still very close to all-time low levels...for now.

While the Fed has not indicated any policy change, their 'lower rates for longer' trend seems like it will persist. It will be interesting to see how the market forces combined with Fed policy affect interest rates over the course of this year and into 2022.

Since every investor's time horizon, risk tolerance, and investment objectives vary widely, there is no single answer. If you are considering purchasing a primary or secondary home, it could be wise to take advantage of historically low-interest rates.

If you would like to discuss your individual needs, goals, and how higher rates may affect your investment portfolio, please contact us for a custom-tailored plan.