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THE END OF CHEAP FINANCING
By: ROBERT KLUTHO, CPA

As jobs reports continue to be strong, it is expected that interest rates will continue to rise. It is time to plan for the Federal Reserve to raise interest rates multiple times during 2017.

Business owners

- Review the debt your business is carrying and determine if you should refinance any debt from variable interest rates to fixed rates.
- Review fixed rate loans with balloon payments that may be due within the next couple of years and determine if it would be beneficial to refinance now.
- Consider accelerating equipment purchases that can be financed through fixed interest rate loans.

Individuals

- Review your portfolio and determine if you should sell longer term bonds since as interest rates rise, the value of existing bonds in your portfolio will decline.
- Consider investing in shorter term bonds until interest rates stabilize.
- Review the debt you are carrying on your house, cars and credit cards and plan to minimize the impact of the impending rate increases through paying down debt and refinancing existing debt prior to the expected increases.

Whether you're a business owner or an individual, planning for the increased interest rates will have significant benefits.

If you have questions about this or any other business or tax issue, please contact your Account Manager or Robert Klutho, CPA, at (314) 205-2510 or via email at bklutho@connerash.com.