Financial Focus
ADVICE FOR MANAGING YOUR MONEY
A Special Supplement to the MAINE SUNDAY TELEGRAM
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CHALLENGES MOUNT FOR HOMEBUYERS

Rates have risen but so has inventory and Maine still offers plenty of assistance.

BY LUCAS DUFALLA
Special to the Press Herald

The recent increase in mortgage interest rates across the nation—which reached a 12-year high in April— continues to present significant barriers to new homebuyers struggling to enter the market.

"A number of buyers who have been sitting on the sidelines are now being priced out of the market by high interest rates," said Wilma Ek, a real estate agent at Portland's Maine Home Connection. "Buyers these days have to be very savvy."

The recent spike in mortgage interest rates resulted from action taken by the Federal Reserve, or Fed, earlier this year. In an attempt to alleviate inflation across the country, the Fed hiked its overnight funds rate four times this year, for a combined increase of 2.25 percentage points. The hikes ultimately mean that banks have raised their mortgage rates for the average consumer.

For example, a 30-year fixed mortgage in August of 2021 carried an average rate of 2.86 percent, according to national lender Freddie Mac's survey of primary mortgages. In August of this year, that rate had risen to 5.13 percent.

The difference means someone buying a house for $200,000 would pay a monthly mortgage of $767 under the lower rate and $1,090 with the higher.

And it doesn't look to reverse course anytime soon. On Sept. 1, mortgage buyer Freddie Mac reported that the 30-year rate rose to 5.66 percent from 5.55 percent the previous week. One year ago, the rate stood at 2.87 percent.

TIGHT INVENTORY

The rising mortgage rates are being compounded by another issue—a lack of homes on the market. In July of this year, 1,780 homes were sold in Maine, marking the seventh month of declining home sales in the Pine Tree state compared with same month sales in 2021.

"There's a national shortage of inventory, and the same goes here in Maine. It will take a little while before we even reach equilibrium," Ek said.

This lack of homes, says Laura Johnson, the director of mortgage and consumer lending of Bangor Savings Bank, has left buyers in a tough situation. Although sales have slowed, triggering a slight increase in inventory, demand still outweighs supply.

"Even with this buildup of inventory, it's still not even near where the pre-pandemic levels were," Johnson said. "It's a seller's market."

Consumers aren't the only ones being impacted by the recent changes to Federal Reserve policy. Bangor Savings Bank, Johnson says, has seen a 30 percent decrease in the number of loans they are giving out.

HOMEWORK IS ESSENTIAL

This combination of issues has created a market that is not friendly to buyers, says Ek. She believes that the issue of low home inventory means that potential homeowners must perform much more due diligence when looking into buying a home.

"Consumers have to be very savvy and diligent with their research," she said. "Definitely do the research on mortgage products, which one would be the most effective for you with the timeline that you plan on staying in your home."

Although she suggests looking into mortgage options, she discourages consumers from obtaining an adjustable-rate mortgage, or ARM. Under an ARM, the loan's interest rate adjusts over time according to the market.

Ek is not alone in this sentiment. Erin Sykes, chief economist and luxury real estate agent at the international brokerage firm Nest Seekers, believes the average homebuyer should not consider a risky investment such as an ARM.

"For the average individual, it's not a good idea," Sykes said. "Our lives are not always predictable. So today, you might think you can trade out of a property in two or three years before the interest rate increases on an (adjustable-rate mortgage), but then you get thrown a curveball from work and you can't do it anymore."

Along with this, Ek advises against first-time homebuyers waiting for mortgage rates to change in the future.

"As far as first homebuyers go there's no time like the present time to purchase a property," she said.

Although she acknowledges that it may be a substantial investment, she thinks that home

Please see **HOMEBUYERS,** Page R8

Wilma Ek, a real estate agent with Portland's Maine Home Connection, says homebuyers must be diligent about comparison shopping for mortgages during these inflationary times.

HOMEOWNERSHIP HELP

Help getting into a home is available for first-time homebuyers through the Maine State Housing Authority.

The MSHA, or MaineHousing, has a First Home Loan Program that provides low, fixed interest rate mortgages, and options to buy with little or no down payment.

To qualify applicants must have a minimum credit score of 640. The program limits the price of the property (example: single-family home can be no more than $404,950 in the Greater Portland area, a higher price is allowed for apartment buildings), and annual incomes (example: a single person or couple's income can be no more than $117,700 a year).

MaineHousing also has a program that provides $5,000 in grant money for the down payment and closing costs, providing the buyer has taken a Home Buying course.

According to MaineHousing, between 900 to 1,000 Mainers people per year become homeowners for the first time each year because of the program.

For more information: mainehousing.org/homeloan.

All photos on this page: Shutterstock

CONSUMER TIPS FOR NAVIGATING INFLATION

It's time to review your budget and question everything in it.

LUCAS DUFALLA
Special to the Press Herald

Thomas Nitzsche, Money Management International

Thomas Nitzsche is the senior director of media and brand at Money Management International, a nonprofit that provides free credit counseling and financial education. Nitzsche recently spoke with the Press Herald about how consumers can navigate this latest wave of inflation.

Q: What are some of the basics on how people should try and live with the current wave of inflation? What has or hasn't changed since the more recent recessions in memory?

A: I've been getting a lot of flashbacks these last couple years, both with the pandemic and the current inflation, to the (Great) Recession. It's a really difficult time for a lot of consumers, especially in the lower-income brackets. To navigate it, the starting point really is the establishment of some sort of a budget. That really is the ground floor. Then as far as navigating the inflationary times, people need to become an expert of their own situation and find ways to either reduce expenses or increase income or both.

Q: What would you say to people who feel they don't have the time to create a budget to or feel that it is too complicated?

A: It's something that just is so important that you've got to find the time. There are tools that can help automate it, too. Your bank or credit union is a great place to start.(cPort Credit Union maintains a budget blog with helpful advice, www.cportcu.org/category/budget-tips/) There are also websites or apps that may have tools that can help you to categorize your spending and help you get a jump start on that process. There really is no right or wrong way to do it. What we find with most of our clients is that they find holes in their budget where they've been overspending on expenses that they haven't considered. Often, they've been relying on credit and have a budget shortfall that creates a snowballing debt over time, and it just becomes a crisis from there. Really, it is something that's worthy of folks' time to carve out and make sure they're successful with their budget.

Q: You spoke about inflation impacting those in the lower-income bracket the most. What do you think people with lower incomes should do with their savings? Should they create an emergency fund if they have the ability?

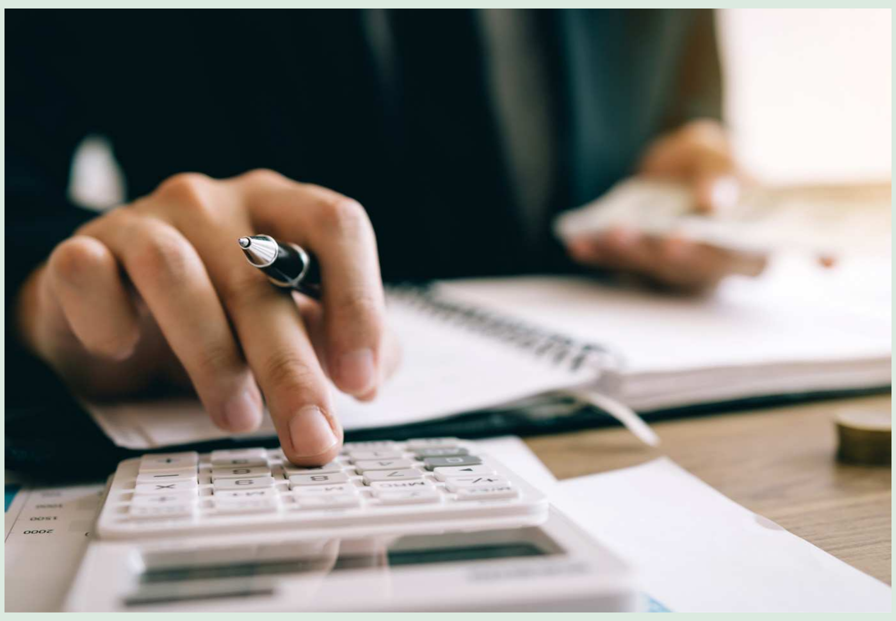
A: We always recommend that, if possible, to create some sort of cushion for yourself that doesn't rely on credit. What we usually see folks do is when things get tight is that they start relying on credit to fill that gap. Unfortunately, some folks tap out that resource to the point where they're maxed out, or they're stressed out or what have you. If at all possible, switch your budget around to give you a little bit of padding in there to start diverting a little bit of money to an emergency savings, even if it's only a few dollars a week.

Q: For those who are living paycheck-to-paycheck, what kind of lifestyle changes can they make to their budget? What should a lot of the money be going toward?

A: What helped me out during the recession was really to consider every single expense I had and just put everything on the table. Don't just assume that because something that was a traditional fixed expense, even if you've always paid in the past and it seems immovable, that it can't be taken off the table. Ask yourself: is this something that I need new? Is this something that I can crowdsource from friends, or is it something that I can buy used on (Facebook) Marketplace? It's obviously a great time to reconsider

Please see **INFLATION,** Page R3

A BUDGET PRIMER



The Federal Trade Commission offers advice on how to set up a budget:

Start a budget by gathering your bills and pay stubs. Think about how you spend money, besides paying your bills. For example, do you buy a cup of coffee every day? After a month, that coffee money could add up to an expense you might write down. Once you have your bills and pay stubs gathered do this:

1. Write down your expenses. Expenses are what you spend money on. Expenses include:

Bills:
- bills that are the same each month, like rent
- bills that might change each month, like utilities
- bills you pay once or twice a year, like car insurance

Other expenses, like:
- food
- gas
- entertainment
- clothes
- school supplies
- money for family
- unplanned expenses, like car repairs or medical bills
- credit card bills

You might have bills that change every month. Look at what you paid for the same month last year. You might need $200 for your gas bill in January, but $30 in July.

2. Write down how much money you make. This includes your paychecks and any other money you get, like child support.

3. Subtract your expenses from how much money you make. This number should be more than zero. If it is less than zero, you are spending more money than you make. Look at your budget to see what you do not need or what you could spend less on.

More detailed advice on setting up a budget is available at consumer.gov/content/make-budget-worksheet

HOW DO I USE MY BUDGET?

You can use your budget every month:
- At the beginning of the month, make a plan for how you will spend your money that month. Write what you think you will earn and spend.
- Write down what you spend. Try to do this every day.
- At the end of the month, see if you spent what you planned.
- Use the information to help you plan the next month's budget.
- Why should I save money

WHY SHOULD I SAVE MONEY?

It can be hard to save money. It is very hard when your expenses go up and your income does not. Here are some reasons to try to save money even when it is not easy.

Emergencies – Saving small amounts of money now might help you later. Everyone has expenses they do not expect.

Expensive things – Sometimes, we have to pay for expensive things – like a car, a trip, or a security deposit on an apartment. You will have more choices if you have money to pay for those expensive things.

Your goals – You might want to pay for college classes. Maybe you need to visit family in another country. You can plan for these goals and save money. Then you might not have to use a credit card or borrow money to pay.

HOW CAN I SAVE MONEY?

You can try these ways to help save money:
- For one month, write down everything you spend. Small expenses, like a cup of coffee, can add up to a lot of money. When you know where you are spending your money, you can decide what you might **not** want to buy.
- Pay with your credit card only if you can pay the full amount when the bill comes. That way, you do not pay interest on what you owe.
- Pay your bills when they are due. That way, you will not owe late fees or other charges.
- Keep the money you are saving separate from the money you spend.
- Consider opening a savings account in a bank or credit union.
- If you keep cash at home, keep the money you are saving separate from your spending money. Keep all your cash someplace safe.

INFLATION

Continued from **Page R2**

any sort of subscriptions you have or if you can consolidate services. Do your own research as well. You know, but there are a number of places you can contact, including nonprofits. You don't have to do it alone. The answer will always be "no," unless you stumble on it yourself.

Q: What's a common example of an expense that people can cut down on?

A: Folks always underestimate the amount that they're spending on eating out. Typically, it's two or three times more than what they think they were spending when they actually write it all down or account for it.

Q: Who should people look to for support during this current wave of inflation?

A: Talking to friends and family is super important. Unfortunately, household finances are somewhat of a stigmatized subject. They're something that, a lot of times, we don't like to talk about. Talking with family and friends—people that you trust—is super important, because what a lot of people don't realize is that other people are going through the exact same thing. Whatever you can do to break that down and create those conversations with people that you trust, can really open the door to finding solutions. For older Americans, finding people in your family who are willing to help you out with some of those application processes or getting connected to resources (is important). If you just start having those conversations, you're a lot more likely to be connected to resources and get help with those processes.

Q: Any advice for seniors, people looking toward retirement or those who are already retired?

A: There are there are certain (property) tax freezes that seniors are qualified for if they're a homeowner that they definitely should apply for. (The Maine property tax stabilization program was approved this year. It allows people 65 and older who have owned their homes for 10 years or more to have their property taxes frozen. People can apply at their municipal offices by Dec. 1.) There are many different discount programs and things out there for seniors. It really is just a matter of finding, getting connected to and applying for them, which can sometimes be daunting for people—especially if it's online. It's a good idea to get connected to a local nonprofit. (Maine Council on Aging has a long list of resources at mainecouncilonaging.org) 211 is a great resource for the awareness side (simply dial 211, or text your zip code to 898-211, or go to 211maine.org). Tell the folks what your needs are and just inquire if there's programs for that at the municipal, county, state or national level. The state offers a network of resources for

food, health, housing, jobs, child development and many other areas of need. Then, plug yourself into those resources so that you can try to balance your budget.

Thomas Nitzsche joined IMM during the Great Recession after a career in retail financial services. He is certified by the National Foundation for Credit Counseling as a financial educator and serves on Bankrate's Expert Review Board.

FIND HELP

The state maintains a clearinghouse of resources for people who are looking for help with basic needs and other services. You can access it by dialing 211 on your phone, or texting your zip code to 898-211, or go to 211maine.org. Once there, you describe your situation, what kind of help you're looking for and your town or zip code to get connected to local resources.

WHAT'S THE BUZZ ABOUT I BONDS?

Inflation has raised the visibility and popularity of these savings bonds.

JAY O. FLOWER
HM Payson

There have been a number of questions from clients about Series I bonds, or "I bonds" as they're referred to in the many recent headlines and articles about them. I bonds have received plenty of attention for good reason: the annual yield on bonds purchased through October is now 9.62 percent.

For a comprehensive understanding of I bonds, you can check out the U.S. Treasury direct website, (treasurydirect.gov), but here is a high-level overview:

Q. So, what exactly are I bonds?

A. I bonds were first issued directly by the Treasury in 1998 as long-term essentially risk-free (backed by the Unites States government) investments that could match inflation. They have 30-year maturities but can be redeemed any time after 12 months, with an early withdrawal penalty of the most recent three months of interest if you withdraw before five years.

Q. How is the interest rate determined?

A. It is a combination of a fixed rate, determined every six months when bonds are issued, and the inflation rate, also calculated every six months. Your fixed rate never changes as long as you own the bond, but the inflation rate adjusts every six months based on the most recent inflation figures (Consumer Price Index for All Urban Consumers). So, your overall interest rate will change every six months based on the CPI-U reading.

Q. How much can I invest in I bonds?

A. Unfortunately, individuals are limited to $10,000 per calendar year if you buy them electronically and $5,000 per year if you want paper I bonds.

Q. How are they taxed?

A. I bond interest is subject to federal income tax, but not state and local tax. Most people report the income when the bond is redeemed using form 1099-INT; but you also have the option of paying tax on accrued interest each year. The latter might make sense if the owner is a child or expects to be in a higher income bracket in the future. This does complicate things a little, so if you're in that situation, consult with your tax adviser for guidance.

Q. What is the downside?

A. I bonds are a great way to earn a real return on assets with very little risk, but there are some cons:

We can't buy them for our clients. Individuals will need to log on to the www.treasurydirect.gov website and buy the bonds themselves.

The investment amount is limited. Depending on your financial situation, it may not be worth the hassle to invest $10,000 per person in your family and then keep track of it.

The interest rates can go down. We haven't heard anything about I bonds for decades because inflation has been so low.

They lack short-term liquidity and cash flow. I bonds are not a great solution for short-term cash due to a one-year lockup and the penalty of three months of interest if redeemed within five years. They also don't generate cash flow during the holding period.

You cannot buy I bonds in your IRA.

We hope this is helpful. As always, if you have any additional questions, please call your portfolio manager.

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LEGAL 101

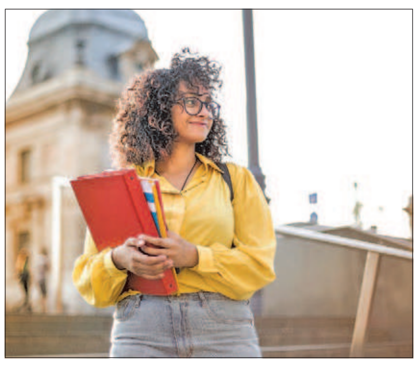
WITH MURRAY PLUMB & MURRAY ATTORNEYS AT LAW

ESTATE PLANNING DOCUMENTS EVERY COLLEGE STUDENT SHOULD HAVE IN PLACE

As legal adults, there are several important documents college students should be prepared with as safeguards against the unexpected.

By Elizabeth Hunt

With young adults heading off to college, there's one area that might get overlooked in the shuffle of all the other important planning and preparation that's taking place. No matter how close you are when your child leaves home, it's important to remember that, legally, you may not hold the same rights in your relationship that you did for the first 18 years of your child's life. As a legal adult after attaining the age of 18, your child should have in place several legal documents that will allow you to provide support and obtain information if something unexpected happens to your child.



It's important to have these conversations now with your college student about the safeguards they should put into place before going out on their own or heading to college. An estate planning attorney can provide guidance on matters pertaining to your child's physical health and financial well-being.

Once you're no longer your child's legal guardian, matters pertaining to his or her health cannot be disclosed to you without your child's consent. So if, for example, your child has an accident and becomes temporarily incapacitated, there would be no way for you to obtain that consent and you would likely be denied access to his or her medical information. Encourage your child to complete a HIPAA release, which is a medical form that designates who is allowed to receive information about an individual's medical status when care is needed. If you're not named on their HIPAA release, you will face challenges in obtaining any medical updates about your adult child, including information like whether or not they have been admitted to a hospital.

No one wants to think about worst-case scenarios, but your child also needs to decide who will manage their healthcare decisions if they're unable to do so on their own. This is done by designating a healthcare proxy or agent. Without one, the decision about who makes choices regarding your child's medical matters may be uncertain. An attorney can help determine if your child needs a separate healthcare proxy for each state if they're attending an out-of-state school.

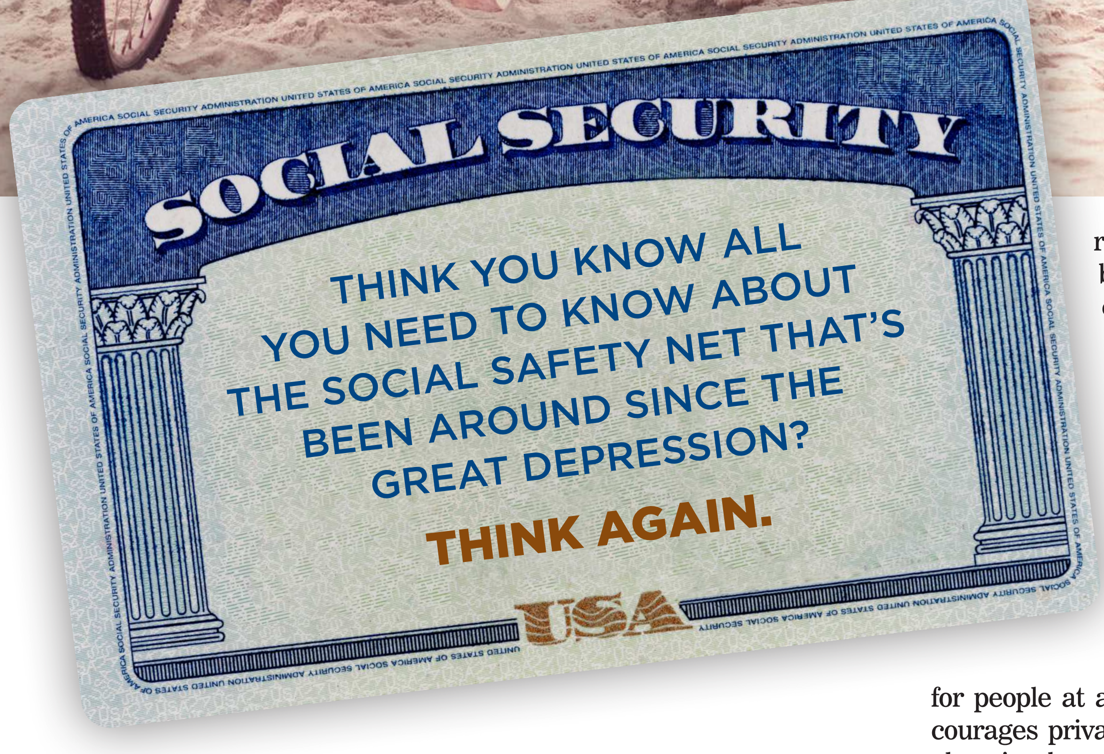
In addition to naming someone to manage medical issues, your child should ensure his or her financial matters are taken care of if he or she is unable to handle them, either due to mental incapacity or physical limitations such as studying abroad. It is thus advisable for you (or another trusted relative or friend) to be named agent under your child's financial power of attorney so that you can assist in managing things like financial aid, banking, and tax matters.

If your teen has a few more years before they head out on their own, or if you still have minor children at home, use this time as a reminder to review your own estate planning documents. You can help protect them by ensuring that you've properly appointed guardians for your minor children who will assume caretaking responsibilities if you're no longer able to.

Your child is facing plenty of changes at this time, but you can help by assisting in the preparation of these important documents. If you have questions, our estate planning attorneys are here to help.

This series is provided by Murray Plumb & Murray, Attorneys at Law, who are committed to helping businesses, entrepreneurs, families, and individuals with ties to Maine succeed in their personal and professional lives. Read more at ***pressherald.com/mpmlaw***

TOP 10 FACTS ABOUT SOCIAL SECURITY



THE CENTER ON BUDGET AND POLICY PRIORITIES

Social Security provides a foundation of income on which workers can build to plan for their retirement. It also provides valuable social insurance protection to workers who become disabled and to families whose breadwinner dies.

Eighty-six years after President Franklin Roosevelt signed the Social Security Act on Aug. 14, 1935, Social Security remains one of the nation's most successful, effective, and popular programs.

FACT NO. 1: NOT JUST FOR RETIREMENT

Social Security is more than just a retirement program. It also provides important life insurance and disability insurance protection.

Over 65 million people, or more than 1 in every 6 U.S. residents, collected Social Security benefits in January 2022. While older adults make up about 4 in 5 beneficiaries, another one-fifth of beneficiaries received Social Security Disability Insurance (SSDI) or were young survivors of deceased workers.

In addition to Social Security's retirement benefits, workers earn life insurance and SSDI protection by making Social Security payroll tax contributions:

- About 96 percent of people aged 20-49 who worked in jobs covered by Social Security in 2020 have earned life insurance protection through Social Security.
- For a young worker with average earnings, a spouse, and two children, that's equivalent to a life insurance policy with a face value of nearly $800,000 in 2020, according to Social Security's actuaries.
- About 89 percent of people aged 21-64 who worked in covered employment in 2020 are insured through Social Security in case of severe disability.

The risk of disability or premature death is greater than many people realize. Some 7 percent of recent entrants to the labor force will die before reaching the full retirement age, and many more will become disabled.

FACT NO. 2: KEEPS PACE WITH INFLATION

Social Security provides a guaranteed, progressive benefit that keeps up with increases in the cost of living.

Social Security benefits are based on the earnings on which people pay Social Security payroll taxes. The higher their earnings (up to a maximum taxable amount, $147,000 in 2022), the higher their benefit.

Social Security benefits are progressive: they represent a higher proportion of a worker's previous earnings for workers at lower earnings levels. For example, benefits for a low earner (with 45 percent of the average wage) retiring at age 65 in 2021 replace about half of their prior earnings. But benefits for a high earner (with 160 percent of the average wage) replace about 30 percent of prior earnings, though they are larger in dollar terms than those for the low-wage worker.

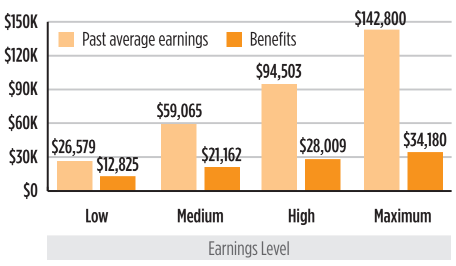
Many employers have shifted from offering traditional defined-benefit pension plans, which guarantee a certain benefit level upon retirement, toward defined-contribution plans (such as 401(k)s), which pay a benefit based on a worker's contributions and the rate of return they earn. Social Security, therefore, will be most workers' only source of guaranteed retirement income that is not subject to investment risk or financial market fluctuations.

Once someone starts receiving Social Security, their benefits increase to keep pace with inflation, helping to ensure that people do not fall into poverty as they age. In contrast, most private pensions and annuities are not adjusted (or are only partly adjusted) for inflation.

FACT NO. 3: PROTECTS NEARLY EVERYONE

Social Security provides a foundation of retirement protection for nearly all people in the U.S.

Social Security benefits are progressive



SOURCE: Social Security Administration, 2021 Trustees Report

Almost all workers participate in Social Security by making payroll tax contributions, and almost all older adults receive Social Security benefits. In fact, 97 percent of older adults (aged 60 to 89) either receive Social Security or will receive it, according to Social Security Administration estimates.

The near universality of Social Security brings many important advantages. It provides a foundation of retirement protection for people at all earnings levels. It encourages private pensions and personal saving because it isn't means-tested — it doesn't reduce or deny benefits to people whose income or assets exceed a certain level. Social Security provides a higher annual payout than private retirement annuities per dollar contributed because its risk pool is not limited to those who expect to live a long time, no funds leak out in lump-sum payments or bequests, and its administrative costs are much lower.

Universal participation and the absence of means-testing make Social Security very efficient to administer. Administrative costs amount to only 0.6 percent of annual benefits, far below the percentages for private retirement annuities. Means-testing Social Security would impose significant reporting and processing burdens on both recipients and administrators, undercutting many of those advantages while yielding little savings.

Finally, Social Security's universal nature ensures its continued popular and political support. Large majorities of Americans say they don't mind paying for Social Security because they value it for themselves, their families, and millions of others who rely on it.

FACT NO. 4: SOCIAL SECURITY BENEFITS ARE MODEST

Social Security benefits are much more modest than many people realize; the average Social Security retirement benefit in January 2022 was about $1,614 per month, or about $19,370 per year. (The average disabled worker and aged widow received slightly less.) For someone who worked all of their adult life at average earnings and retires at age 65 in 2022, Social Security benefits replace about 37 percent of past earnings. Social Security's "replacement rate" fell as the program's full retirement age gradually rose from 65 in 2000 to 67 in 2022.

Most retirees enroll in Medicare's Supplementary Medical Insurance (also known as Medicare Part B) and have Part B premiums deducted from their Social Security checks. As health care costs continue to outpace general inflation, those premiums will take a bigger bite out of their checks.

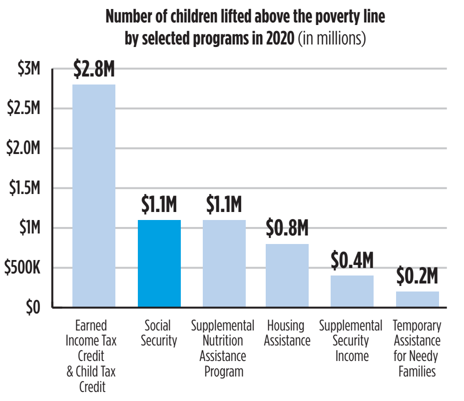
Social Security benefits are also modest by international standards. The U.S. ranks just outside the bottom third of developed countries in the percentage of an average worker's earnings replaced by the public pension system. In Italy, workers receive almost 80 percent of their average earnings while the U.K. is about 22 percent. In the U.S., the average is not quite 40 percent.

FACT NO. 5: CHILDREN HAVE IMPORTANT STAKE IN SOCIAL SECURITY

Social Security is important for children and their families as well as for older adults. Over 6.5 million children under age 18 lived in families who received income from Social Security in 2019. That number included nearly 2.8 million children who received their benefits as dependents of retired, disabled, or deceased workers, as well as others who lived with parents or relatives who received Social Security benefits.

Social Security lifted 1.1 million children above the poverty line in 2020, as the chart shows. (The figures in the chart use the comprehensive Supplemental Poverty Measure to show the full effect of non-cash benefits. These published figures do not correct for underreporting. By the more conventional, cash-only official poverty measure, Social Security lifted nearly 1 million children above the poverty line in 2020.)

Social Security lifts 1.1 million children above the poverty line



NOTE: Figures use the federal government's Supplemental Poverty Measure (SPM) and do not correct for the underreporting of benefits. Numbers include benefits paid to children and to their family members.

SOURCE: U.S. Census Bureau, The Supplemental Poverty Measure: 2021, Table A-7

FACT NO. 6: SOCIAL SECURITY LIFTS MILLIONS OF OLDER ADULTS ABOVE THE POVERTY LINE

Without Social Security benefits, about 4 in 10 adults ages 65 and older would have incomes below the poverty line, all else being equal, according to official estimates based on the 2021 Current Population Survey. Social Security benefits lift more than 16 million older adults above the poverty line, these estimates show.

An important study on retirement income from the U.S. Census Bureau that matches Census estimates to administrative data suggests that the official estimates overstate older people's reliance on Social Security. The study finds that in 2012, 3 in 10 older adults would have been poor without Social Security, and that the program lifted more than 10 million older adults above the poverty line.

Please see SOCIAL SECURITY, Page R7

WHAT KEEPS YOU UP AT NIGHT?

Sponsored Content by Back Cove Financial

What keeps you up at night? This is just one of the questions that we ask our clients. These days there are many things that may be keeping you up at night. Inflation, rising taxes, investment returns, or geopolitical concerns, to name a few. It may also be more general questions like: Will my savings last through retirement? When is the best time for me to claim Social Security? How will my IRA distributions impact my taxes? At Back Cove Financial we help our clients prepare for these questions and potential obstacles clients may not even be thinking about.

In the last couple of years, the world has become a different place than it was prior to the COVID pandemic. In the U.S. signs of inflation began rising in the Spring of 2021 due to the growing pains of a rapidly opening economy. The causes for this rise have been a combination of pent-up consumer demand, supply chain slowdowns and not enough workers to fill open jobs. The U.S. economy shut down in March 2020 in response to the COVID pandemic and the Federal Reserve and government implemented extraordinary stimulus measures to avoid a deep recession. The following year equity market indices rose to new highs. According to the National Bureau of Economic Research (NBER) 1, the 2020 pandemic recession was the shortest downturn in U.S. history. Although it was the shortest downturn in U.S. history, it took the economy until July of this year to recover the 21 million jobs lost. This year, the Russian invasion of Ukraine has placed upward pressure on already high global fuel and food prices, and core inflation move to its highest rate since 1982 2.

In the past few months, the Federal Open Market Committee (FOMC) has signaled a willingness to get aggressive on fighting inflation by raising interest rates and tightening the money supply. The question facing the FOMC is how fast can they raise interest rates and tighten the money supply without throwing the U.S. economy into a recession?

Whether or not we'll experience a recession in the next few months isn't as important as whether you are prepared for one whenever they come around. At Back Cove Financial, we believe it is important, to control the controllable! Investment portfolios are not a "one size fits all." You can control your game plan and that is the best way to protect yourself, your money and your mental health.

How to prepare for the challenges and opportunities that may lie ahead?

1. Wear Your Seatbelt: For workers, your job is your main source of income and it's important to have a minimum six months' salary in cash as an emergency fund. For retirees and those taking distributions, it's important to have at least 12 months of your expenses in cash.

2. Beware Debt Interest: Pay off credit card debt. Paying off a credit card that charges 18% interest is a rough equivalent of getting 18% return on your investment.

3. Stress Test Investment Allocations: There are investment planning tools that provide simulations so that you can see how your investment portfolio fared during the Great Recession of December 2007 to June 2009. This exercise can be a great litmus test for your risk tolerance to see whether you would adjust your investment mix or stay the course.

4. Adjust Financial Goal Plan Assumptions: Make sure your expected future return assumptions are lower than the historical 5-year average and that your inflation assumptions are higher than the past 5-year average when updating financial goal plans.

These are just a few of the things we think you should be thinking about as we finish out 2022. These are the things that we are talking about with our clients. If your advisor is not talking to you about these things, then perhaps it's time for you to think about upgrading your financial advisor. Give us a call. At Back Cove Financial we are honest, independent and experienced.

Source: National Bureau Economic Research, The Federal Reserve 2022

THESE DAYS, THERE IS PLENTY TO KEEP US UP AT NIGHT...

- Will my money last through retirement?
- How will I manage after divorce?
- What are my options if I am laid off?
- What do I do when a loved one dies?

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KEEPING PACE WITH CREDIT CARDS

As interest rates head ever higher, rethink how you use your credit card.

Staff Report

As the Federal Reserve raises interest rates, so too are credit card companies. Consumers who got used to using credit with low interest rates will now have to be especially diligent in their selection and use of credit cards as their rates trend ever higher.

"The average credit card rate is now a record-high 17.96 percent," said Ted Rossman, senior industry analyst for Bankrate, surpassing the previous record of 17.87 percent set in April 2019.

"And Federal Reserve Chairman Jerome Powell has made it clear that the Fed is not done raising rates – not by a long shot. According to the CME FedWatch tool, there's a strong likelihood the Fed will implement another 75-basis point hike later this month, with smaller increases projected for November and December. The best guess, according to investors, is that rates will rise another 150 basis points by the end of the year."

Nearly all credit cards have variable rates that track the Prime Rate, which is typically 3 percentage points higher than the federal funds rate set by the Federal Reserve. Then the card issuers tack on a profit margin, something in the order of 12 or 13 percent. An analysis by mortgage broker LendingTree using Federal Reserve data shows the average interest for a newly issued credit card in August was 21.40 percent.

"So there's a direct pass-through from the Fed's actions to credit cardholders," said Rossman. "Rate hikes generally affect new and existing balances, so most credit cardholders are currently facing rates that are 225 basis points higher than they were just six months ago. During the last rate hike cycle, it took the Fed three years to raise rates 225 basis points (from December 2015 to December 2018). This time, it only took them 4 ½ months from mid-March to late July. And there's more to come."

Rossman warns of the cumulative effect of these rate hikes. He offers an example of someone with a $5,000 balance on a credit card charging 16 percent. Minimum payments would have kept the cardholder in debt for 184 months and racked up $5,406 in interest charges.

"That would have been bad enough, but at 18.25 percent, those minimum payments will now drag on for 189 months and accumulate $6,241 in interest. That's an increase of $835. Of course, the best practice is to pay way more than the minimum – pay it all if you can. If that's not possible, forget about chasing rewards and seek the lowest interest rate possible. There are 0 percent balance transfer offers that last as long as 21 months."

The Federal Trade Commission's consumer protection division offers this advice for comparing credit card offers:

Before you get a credit card, find out these things:

- What is the annual fee? This is what you pay to use the card for a year.
- What is the APR? APR means annual percentage rate. This is how much interest you pay every year. A lower APR means you pay less interest. That costs you less money.
- Are there other fees? How much will it cost if a payment was late? What will it cost if you go over your credit limit?
- What is the grace period? This is the time between when you spend money and when the card charges you interest. A longer grace period is better. Look for one that is at least 25 days long.

The FTC, too, recommends paying off your balance every month, but acknowledges that isn't always possible. About 54 percent of Americans carry a credit card balance from month to month, according to the American Bankers Association's first quarter of 2022 survey. A separate report from Lending Tree puts the average credit card debt in Maine at $6,173.

But the payoff for clearing the balance is huge. For someone who owes just $1,000 on an 18 percent credit card and never puts another dollar on that card, paying the minimum $50 per month means the balance will be paid off in five years for a total cost of $1,360.

THINKING OF GETTING A NEW CARD?

If you're interested in finding a 0 percent balance transfer offer, Bankrate offers a comparison of deals at https://www.bankrate.com/finance/credit-cards/balance-transfer/

IF YOU'RE THINKING ABOUT USING A CREDIT CARD TO IMPROVE YOUR CREDIT HISTORY, PAY ATTENTION TO THESE TIPS FROM THE FEDERAL TRADE COMMISSION:

- Use your credit card a few times a month.
- Buy things you can pay for that month.
- Pay the whole credit card bill every month.
- Do not leave a balance on your card.

MICHELLE SINGLETARY
THE COLOR OF MONEY

Is the economy working for you? This quiz will tell you

BY MICHELLE SINGLETARY
Washington Post

WASHINGTON -- It's OK if you're wondering how bad things are.

The drumbeat of economic news has you on edge, and rightly so. Inflation is at a 40-year high, mortgage rates are inching up, credit card debt is getting more expensive, and the release of government data suggests the economy is slowing down. Meanwhile, unemployment is near historic lows. It all can be confusing.

So I've teamed up with my colleagues to build this quiz to help you figure out how current economic events could impact your finances. There's no right or wrong answer. The questions are a way for you to gauge where you stand financially. Start with zero, and then award yourself points according to your responses to the 10 questions below.

At the end of the quiz, we'll tell you what your final number means. Your score - and our financial advice - could help you prepare for what's coming if the economy gets worse.

Do you have enough money coming in to cover necessities?

- Yes, my monthly salary or retirement income covers housing, food, utilities or the cost of commuting. (+3 points)

- No, I often have to dip into my savings or use debt to help pay for housing, food, utilities and the cost of commuting. (+0)

The higher cost of necessities - rent, gas and food prices - has led to an increase in homelessness and millions more fearing they'll soon lose their homes.

Do you have monthly student loan debt that was difficult to pay before the pandemic?

- Yes. (+1)

- No. (+4)

The Biden administration passed student debt relief of up to $20,000 but extended payments can still be a struggle.

Do you have emergency savings?

- Yes, I have enough savings to pay my basic expenses for at least one month if I lost my job. (+3)

- Yes, I have more than three months of expenses saved. (+4)

- No, I don't have any savings. I'm living paycheck to paycheck. (+0)

Many American adults can't cover a $400 emergency, such as a car repair or a modest medical bill, without borrowing from a friend or family member or using a credit card and paying it off over time.

Are you contributing to a retirement account?

- Yes. (+4)

- No. (+0)

Retirement accounts have significantly dropped as recession fears have spooked the stock market. But if you don't have a retirement account, you are not alone. According to the Federal Reserve, only about half of American households have a retirement account.

Do you have revolving credit card debt?

- Yes. (+0)

- No. (+3)

The average credit card balance is $5,221, according to Bankrate.com. With the Fed set to possibly raise rates again, the cost of credit will become even more expensive. The average credit card interest rate now tops 20 percent.

The share of credit card revolvers, or those who carry over a monthly balance, rose 0.6 percentage points to 40.1percent nationally in the fourth quarter of 2021, the American Bankers Association reported in May.

Do you have to pay for gas for the drive to work?

- Yes, but my job isn't far from my home. (+2)

- Yes, my daily commute is about 50 miles round trip. (+1)

- Yes, my daily commute is more than 100 miles round trip. (+0)

- I do not have to pay for gas or drive to work. (+3)

The national average for a gallon of gas recently dropped below $4 a gallon. Although prices have been coming down on fears of a recession, one of the biggest drivers of inflation has been the escalating fuel cost.

Are you looking to buy a home within six months to a year?

- Yes. (+0)

- No. (+2)

Mortgage rates are the highest in over a decade. As of July 21, the 30-year fixed rate was 5.54 percent, according to Freddie Mac.

Do you have a fixed-rate mortgage?

- Yes. (+2)

- No. (+0)

- Not applicable because I rent or own my home outright. (+2)

Adjustable-rate mortgages (ARMs) could be impacted by Fed rate increases.

Has your rent increased significantly?

- Yes. (+0)

- No. (+3)

- Not applicable because I'm a homeowner. (+2)

The median rent across the 50 largest metros jumped 14 percent year-over-year, according to Redfin. Rental housing demand is sky-high.

Do you need to buy a new or used car soon?

- Yes. (+0)

- No. (+2)

A global semiconductor chip shortage is leading to historically high prices for new and used cars.

Do the math

Now add up your final score. If you think of your financial situation as a traffic light, here's which category you fall into.

- Red

If you scored 13 points or fewer, you were already struggling even before this latest round of scary news. You are right to be concerned about rising inflation and interest rates. Any variable interest rate debt you have will probably cost more. Budgeting is tough - or will be soon.

But there are some steps you can take to reduce credit card debt. And here is a general guide on how to protect yourself from the economic upheavals that may lie ahead: wapo.st/recession-proof

- Yellow

If you scored at least 14 points but fewer than 18, then caution is in order. You should slow down on your spending. Try to save or save more.

You're doing OK, but things could get financially tight if the economy doesn't rebound soon.

Here's some additional guidance about inflation-indexed bonds: wapo.st/i-bonds

- Green

If you scored 18 points or more, you are well-positioned to manage the current economic downturn. People in this category generally have emergency savings and aren't carrying credit card debt. They generally don't have mortgages that will go up as interest rates rise, and they're able to save for retirement.

You may feel like things are bad because your monthly expenses have gone up, and understandably that's a shock. Compared with others though, you're in relatively good financial shape right now - but it never hurts to be safe.

If you have extra cash to spare, consider putting some of your money in inflation-indexed government savings bonds, currently paying 9.62 percent.

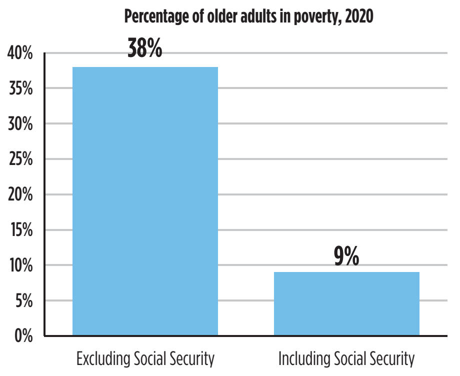
And no matter how you score, check out my seven tips for how to financially prepare for a recession: wapo.st/recession-proof

Michelle Singletary can be contacted at c/o The Washington Post, 1301 K St., N.W., Washington, D.C. 20071, or michelle.singletary@washpost.com.

SOCIAL SECURITY

Continued from **Page R4**

Social Security dramatically cuts poverty among older adults



SOURCE: CBPP, based on data from the Census Bureau Current Population Survey, March 2021

No matter how it is measured, it's clear that Social Security lifts millions of older adults above the poverty line and dramatically reduces their poverty rate.

FACT NO. 7: MOST OLDER BENEFICIARIES RELY ON SOCIAL SECURITY FOR MOST OF THEIR INCOME

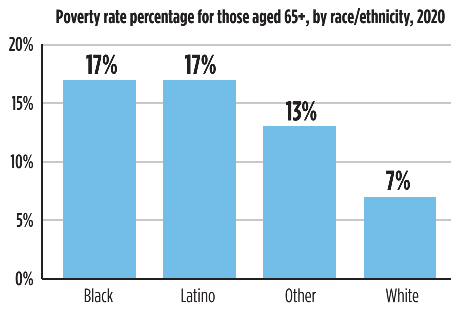
Social Security provides the majority of income to most older adults. For about half of this group, it provides at least 50 percent of their income, and for about 1 in 4 older adults, it provides at least 90 percent of their income, according to multiple surveys and the Census Bureau study.

Most retirees have modest incomes, save for some at the top of the income spectrum. Most low-income older Americans have very little pension income, if any, according to the U.S. Census Bureau study. Among retiree households in the bottom third of the income distribution, most received no pension income. About 1 in 4 of these households lived on less than $20,000 in 2015, and about half lived on $50,000 or less, according to an Social Security Administration study that also matches survey and administrative data.

FACT NO. 8: SOCIAL SECURITY IS PARTICULARLY IMPORTANT FOR PEOPLE OF COLOR

Social Security is a particularly important source of income for groups with low earnings and less opportunity to save and earn pensions, including Black and Latino workers and their families, who face higher poverty rates during their working lives and in old age. The poverty rate among Black and Latino older adults is roughly 2.5 times as high as for white seniors. There is a significant racial retirement wealth gap, leading older adults of color to face more retirement insecurity than their white counterparts. Black and Latino workers are less likely to be offered workplace retirement plans, and they are likelier to work in low-wage jobs with little margin for savings. Social Security helps reduce the economic disparities between older white adults and older adults of color.

Older people of color face higher poverty rates



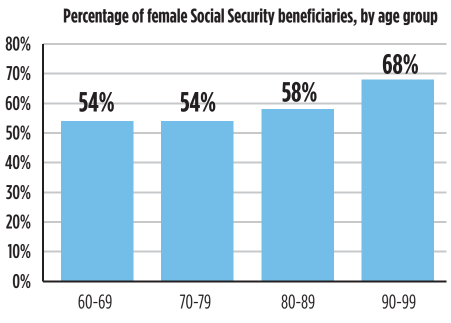
NOTE: "Other" includes Asian, Pacific Islander, American Indian, Alaskan Native, and multiracial.

SOURCE: CBPP analysis of data from the Current Population Survey for March 2021

Social Security's importance to families of color goes beyond retirement. Black and Latino workers benefit substantially from Social Security because they have higher disability rates and lower lifetime earnings than white workers, on average, and Black workers have higher rates of premature death. Persistent racial disparities in health care access and quality — and in access to food, affordable housing, high-quality schools, and economic opportunity — mean Black workers are likelier to become disabled or die before reaching retirement. Latino workers are also more likely to become disabled than white workers and have longer average life expectancies than white workers, which means they have more years to collect retirement benefits.

FACT NO. 9: SOCIAL SECURITY IS ESPECIALLY BENEFICIAL FOR WOMEN

Older women make up an increasing share of beneficiaries



SOURCE: Social Security Administration, Annual Statistical Supplement 2021. Data are for December 2020.

Social Security is especially important for women, because they tend to earn less than men, take more time out of the paid workforce, live longer, accumulate less savings, and receive smaller pensions. Women represent more than half of Social Security beneficiaries in their 60s and 7 in 10 beneficiaries in their 90s. In addition, women make up 96 percent of Social Security survivor beneficiaries.

For an insightful discussion about the challenges of women and aging in Maine, go to pressherald.com /policy matters

Women benefit disproportionately from the program's inflation-protected benefits (because they tend to live longer than men), its progressive formula for computing benefits (because they tend to have lower earnings), and its benefits for spouses and survivors.

FACT NO. 10: MODEST CHANGES WOULD PLACE SOCIAL SECURITY ON SOUNDER FINANCIAL FOOTING

Since the mid-1980s, Social Security has collected more in taxes and other income each year than it pays out in benefits and has amassed combined trust funds of about $2.9 trillion, and the excess income is invested in interest-bearing Treasury securities. But Social Security's costs will grow in the coming years as baby boomers retire.

The trustees estimate that, if policymakers took no further action, Social Security's combined Old-Age and Survivors Insurance (OASI) and Disability Insurance trust funds would be exhausted in 2034. After the trust fund reserves are depleted, even if policymakers took no further action, Social Security could still pay three-fourths of scheduled benefits, relying on Social Security taxes as they are collected. Alarmists who claim that Social Security won't be around when today's young workers retire either misunderstand or misrepresent the projections. The long-term gap between Social Security's projected income and promised benefits is estimated at 1.2 percent of gross domestic product over the next 75 years.

Policymakers should address Social Security's long-term shortfall primarily by increasing Social Security's tax revenues. Social Security will require an increasing share of our nation's resources in the coming decades as the population ages, and polls show a broad willingness to support it through higher tax contributions. Recent trends also justify boosting Social Security's payroll tax revenue: Social Security's tax base has eroded since policymakers last addressed solvency in 1983, largely due to increased inequality and the rising cost of non-taxed fringe benefits, such as health insurance.

The Center on Budget and Policy Priorities is a nonprofit, nonpartisan research organization and policy institute that conducts research and analysis on a range of government policies and programs. It is supported primarily by foundation grants. More information can be found at http://www.cbpp.org

HOME BUYERS

Continued from Page R1

ownership is one of the most reliable ways to build equity.

"At this point, purchasing a home may build your equity slower than one and a half or two years ago, but you're still building equity and you'll still have your own sanctuary to come back to and relax," she said.

For first-time homebuyers, Johnson says that education is key to navigating through the process.

"You really want to do your homework first, so I would always recommend a first-time homebuyer education course. You don't know what you don't know," Johnson said.

AVAILABLE RESOURCES

Maine State Housing Authority, mainehousing.org, offers online or in-person education classes for first-time homebuyers, as well as resources for consumers deciding whether to rent or own, how to compare mortgages, and programs that can help offset homeownership costs for veterans and others.

Additionally, Johnson believes that potential buyers should seek a buyer's real estate agent instead of a seller's real estate agent. This kind of agent, she says, will "prepare you for what you're going to see," and advocate exclusively on the buyer's behalf.

"Buyer's agents see more of what's going on—they see more of the offers going in than a buyer would. So they can advise buyers on how to make a good offer in this market," Johnson said.

Johnson recommends seeking a down payment assistance program for those with lower income. These programs, which can come in the form of grants or loans, are run through the government or banks, and provide lower-income first-time home buyers with the option to make a lower down payment.

In a conventional mortgage, a 10 or 20 percent down payment is required. But these homebuyer assistance programs, many of which are listed at mainehousing.org, Johnson says, can be a lifesaver.

"If I was a first-time homebuyer program, and I was working with the lender, I would ask them, 'are there any down payment assistance programs that I qualify for'?" she said. "Make sure to ask that question, I wouldn't let it go."

These assistance programs can lower the down payment or closing costs with a quicker approval rating.

LOOKING FORWARD

Johnson, Ek and Sykes share a cautious optimism about the market in the future.

Sykes believes that while the interest rates are higher than they have been in a decade, they are still remarkably low compared to years past—something people should note when considering buying a home.

"Homeownership has been the No. 1 way to build wealth in the United States for the last 50 years, since we went off the gold standard, and I don't see that changing anytime soon," she said. "I still think interest rates are low. The average over the last 50 years is 7.7 percent."

Johnson believes that the market will shift back toward the consumer within a year.

"I think by next year, we're going to see a healthy balance," Johnson said. "I am hopeful. We have a strong job market and the rates are still good."

Ek shared both Johnson and Syke's beliefs. She doesn't believe the market will get significantly worse in the coming months.

"I'm always hopeful about the market. And I am not concerned we don't have the same conditions we did in 2008 (when subprime mortgages sent the housing market into a tailspin). So the market is going to equilibrate, if anything at all, but is it going to drop precipitously? No, it is not," she said.

MAINE CONSUMER RESOURCE GUIDE

GENERAL INFORMATION

Maine maintains an online clearinghouse for resources and benefits. The site, accessmaine.org, connects people living in Maine to public programs, services, and other resources that are available to provide support they need to be safe and healthy.

Additionally, the Maine Department of Health and Human Services directs people to an updated portal called mymaineconnection.gov, which lists resources for health care, food, and household expenses; allows people to apply for those benefits and offers a prescreening tool to see if a household qualifies for many of the state's benefits and services.

It also maintains an office for Family Independence Representative. An OFI representative can give you more information on benefits, answer questions about your application and help you complete or schedule an interview. Call 1-855-797-4357 or go to mymaineconnection.gov to find a nearby office.

Maine Equal Justice advocates for people to have access to adequate health care, housing, transportation, food, childcare, education and income security. You can find a long list of services at its website, maineequaljustice.org, or call 1-866-626-7059.

HEALTH CARE

MaineCare is the state's Medicaid program, which provides free and low-cost health insurance to Mainers who meet eligibility requirements including income, age or pregnancy. Starting in July of this year, people with qualifying income who are under the age of 21 or who are pregnant are eligible to receive full MaineCare benefits regardless of immigrant status. This includes people who are undocumented, those who have not yet filed for asylum or who cannot yet verify their immigration status. Also new in July: adults can get full dental care under MaineCare. Information and applications are available at https://www.maine.gov/dhhs/programs-services/health-insurance or by calling 207-287-3707; also at mymaineconnection.gov. If you need help signing up for MaineCare, contact Consumers for Affordable Healthcare at 1-800-965-7476.

If you don't qualify for MaineCare because your income is too high, you may be able to get help paying for private health insurance through Maine's Health Insurance Marketplace. For questions about Maine's ACA marketplace, CoverMe.gov is a one-stop shop for free or low-cost medical insurance. It also offers a comparison shopping tool for consumers interested in comparing plans under the ACA.

Medicare is a federal program that provides health care coverage for people 65 and older and people of any age with a disability. You do not have to have low income to qualify for Medicare. But if you have low income you may qualify for help with the costs of Medicare, like premiums and co-pays. Information on Medicare and Medicare Supplement policies is available at Maine Bureau of Insurance (maine.gov/pfr/insurance) or call 1-800-262-2232.

PRESCRIPTIONS

Twenty-eight Maine hospitals and health care centers offer prescription assistance programs. The state also offers Maine RX and Maine RX Plus, which provides a 60 percent discount of the cost of many generic drugs and 15 percent of brand-name drugs. Maine Consumers for Affordable Health Care has a list of more than a dozen programs to help defray the cost of prescriptions. For more information, go to mainecahc.org.

HOSPITAL COSTS

Every hospital has to have a financial assistance policy. Anyone having difficulty paying a bill should contact the hospital billing department for information about that policy. Maine law requires that free medical care must be given to Mainers with incomes of less than 150 percent of the federal poverty level. For a family of four, that threshold in 2022 is $41,625. Some hospitals and health care systems have more generous policies. Patients can find out more at maine.gov/dhhs/ofi

CHILD CARE

The state's Child Care Subsidy Program assists eligible families in paying for child care if they work, are enrolled in school, participate in a job training program or are retired and the legal guardian of a child. The state also offers information on tax credit programs and a list of licensed childcare centers and providers. More information is available at accessmaine.org/basic-needs/childcare

FINANCIAL HELP

If you need assistance creating and sticking to a realistic budget, free help is available at Coastal Enterprises Inc. Financial Wellness program, 207-504-5900 or financialwellness@cei.org and Money Management International, a member of the nonprofit national Foundation for Credit Counseling, moneymanagement.org or call 866-889-9347.

For middle- to low-income people 55 and older, the Maine Area Agencies on Aging offers trained and bonded volunteers to help clients organize their finances and stay on top of bills, loan payments, etc. The statewide program, Money Minders, is free. For information, call 1-800-427-7411 or visit smaa.org/resources

General assistance is a program run by every town to help people who don't have enough money to pay their necessary expenses. You may be eligible if you don't have enough money for food, medicine, rent, heat, electricity, or other necessary things. Each town has rules about who can have this money. For more information, check Pine Tree Legal's website at plta.org

Temporary Assistance for Needy Families can help pay for basic household expenses for families with children. Information and applications are available at mymaineconnection.gov

The Maine Attorney General's Office offers advice and help to protect consumers from scams, unfair trade practices, purchase protections, utility disputes and other services. Maine.gov/portal/residents/consumer_protection.html It also links to the U.S. Consumer Gateway, a one-stop shop for all federal consumer information for food, product safety, health, money, transportation, children, career and technology and more. Consumer.gov

FOOD

The federal Supplemental Nutrition Assistance Program (SNAP) helps people buy healthy food by providing a monthly benefit for purchasing food for people who are income eligible. This year the threshold for a family of four is $51,338 pre-tax household income. The money is loaded onto a debit card the recipient uses as if it were a bank-issued credit card. For more information, go to fns.usda.gov. Information and applications are also available at mymaineconnection.gov In Maine, receiving SNAP benefits also allows you to enroll in a free employment and training program and educational programs on how to feed a family on a budget.

Good Shepherd Food Bank distributes free food with the help of nearly 600 partner agencies through the state. Its website lets you enter your zip code and find hunger relief organizations and food pantries near you. Gsfb.org/get-help/

Food pantries.org maintains a list of local food pantries searchable by city or town. Foodpantries.org/st/maine

HOUSING AND UTILITIES

Low-income home energy assistance program (LIHEAP) offers fuel and utilities assistance based on household income. A person who participates or has family members who participate in certain other benefit programs, such as the Supplemental Nutrition Assistance Program (SNAP), Supplemental Security Income (SSI), Temporary Assistance for Needy Families (TANF) or certain needs-tested Veterans benefits may be automatically eligible. Apply though your local Community Action Program (for a list, go to maineequaljustice.org and click on "Help with utility and fuel bills.) The resource guide also offers information on home repair programs, weatherization help and rural housing repair loans and grants.

Heating assistance through Maine Housing (HEAP) is available depending on energy source, family size and income. Program managers advise applying as early as possible. More information is available at 1-877-544-3271 or mainehousing.org

TAX CREDITS

Maine has a wide range of tax credit programs, ranging from homestead exemptions to childcare credits to property tax relief. For a list, check out maineequaljustice.org.

Additionally, lawmakers just approved a property tax stabilization program that freezes property taxes at previous year's rate for homeowners 65 and older who have lived in their homes for 10 years. Details are available at your town office. Completed applications are due Dec. 1.

LEGAL HELP

Maine Legal Services for the Elderly (60 and older). Call 1-800-750-5353

Pine Tree Legal Assistance. Call (207) 774-8211 or find the address and phone number for your local office at https://www.ptla.org/contact-us

Maine Equal Justice. Call (207) 626-7058