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Steak Fajita Kebabs

INGREDIENTS

- 1.5 lbs. steak, cut into large chunks
- 1 green pepper, cubed
- 1 red pepper, cubed
- 1 yellow pepper, cubed
- 1 red onion, cut into chunks
- 1 tsp. chili powder
- 1 tsp. cumin
- 1 tsp. garlic powder
- 1 tsp. sea salt
- 1/2 tsp. pepper
- 1/2 tsp. onion powder
- 1/4 tsp. cayenne powder

DIRECTIONS

1. |In a large bowl, add all of the ingredients and toss until evenly coated with the seasonings.

2. |Slide the vegetables and steak cubes onto skewers. Use whatever pattern you want.

3. |Preheat the grill and turn the dials to medium-high.

4. |Add the skewers and cook for three minutes on each side (12 minutes total) or until your desired doneness. This method was used to cook to medium well.

https://www.thebewitchinkitchen.com/steak-fajita-kebabs/

Making Sense of the Fed's Rate Increase

Though many services professionals had long been expecting it, when the news broke on May 4 that the Fed was raising the interest rate by a half point, it still felt like a thunder clap.

According to a CNBC article, Here's what the Fed's half-point rate hike means for your money, the Fed's half point increase is its largest bump in more than two decades. So, you're probably asking yourself, "why now?" According to the article, the increase is a response to our current and much publicized bout of significant inflation. The Fed is trying to walk a very fine line of tamping down inflation without damaging the economy.

Continued on next page…

A Strawberry is Not an Actual Berry, but a Banana is

Strawberries and raspberries aren't really berries in the botanical sense. They are derived from a single flower with more than one ovary, making them an aggregate fruit. True berries are simple fruits stemming from one flower with one ovary and typically have several seeds. Tomatoes fall into this group, as do pomegranates, kiwis and—believe it or not—bananas. (Their seeds are so tiny it's easy to forget they're there.)

https://stanfordmag.org/contents/bananas-are-berries

MAKING SENSE…

WHAT IT MEANS FOR BORROWERS

For many, the first question after the news of the rate hike broke was, "how is this going to hit borrowers?"

The quick answer is that both credit card borrowers and homebuyers could soon see increases.

Generally, credit cards come with variable rates, and that means those rates are directly tied to the Fed's rate. That means you may want to be prepared for a percentage rate jump within your next handful of billing cycles.

Credit card rates are currently sitting at a whisker over 16 percent, which is certainly a lot higher than just about any other consumer loan that's out there. But, after the Fed's decision, it's possible that credit card rates could nudge up to about 18.5 percent by the end of 2022.

Let's next look at what the rate hike may mean for homeowners.

Because many long-term mortgage rates are fixed, many homeowners won't be affected by the hike. However, the story is different for those looking to buy a home. The same CNBS article notes that shortly after the Fed's news, the average interest rate on a 30-year fixed mortgage rate jumped to 5.5 percent, the highest since 2009.

WHAT IT MEANS FOR SAVERS

While the Fed doesn't directly influence deposit rates, they do typically correlate to changes in the target federal funds rate. Accordingly, the savings account rate at some large banks has been consistently at an extremely low average of 0.06 percent.

Because deposit account rates are still largely controlled by brick and mortar banks, they've been very slow to tick up. One important note here. Thanks mainly to how much they save on overhead expenses, the CNBC article, Here's what the Fed's half-point rate hike means for your money, mentions the savings rate from online banks is currently about 0.5 percent, a healthy jump above the rate from brick and mortar banks.

Additionally, the current inflation rate is higher than all the savings rates we just discussed. And that means the money you have in savings is slowly losing its purchasing power. And while on the one hand that's dispiriting news, on the other hand, the savings vehicles you choose to utilize can make a difference.

WHAT IT MEANS FOR STOCKS

High market interest rates have the potential to negatively affect the stock market. When the Fed increases the rate, borrowing often becomes more expensive. And that means the cost of doing business is costlier for public and private companies alike. Accordingly, as time goes on, the supply of money in circulation contracts, which generally lowers inflation while also cooling off the economy as a whole. If the expense of borrowing money rises too high, the opportunity to increase investment in capital goods may become much more difficult for some companies.

For some public companies, a combination of higher costs and reduced business could lead to less revenue and a stunted growth rate, and all of that could ultimately lead to reduced stock value. The psychological impact of the rate increase may be the biggest domino to fall after the Fed's decision. After a rate increase, it's not uncommon for some traders to hastily sell off stocks and transition to a more defensive strategy. The problem is, some of them do so before it can be determined what will happen after the increase has had time to work its way through the entire economy.

SOURCES

[1] https://www.cnbc.com/2022/05/04/heres-what-the-feds-half-point-rate-hike-means-for-your-money.html

[2] https://www.forbes.com/advisor/investing/fed-raises-interest-rates/

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Should You Consider Tapping the Equity in Your Home?

With home values skyrocketing recently, your home may be one of your largest assets. Using home equity to help finance other financial objectives is a strategy many people consider, but before doing so be sure you understand the risks as well as the potential benefits.

Home equity is the difference between how much your home is worth, based on current market conditions, minus your mortgage balance. Let's say your home is worth $450,000 in the current market and your outstanding mortgage is $250,000. That means you have $200,000 in equity.

In most cases, lenders will allow you to borrow up to 80% of your home's value minus your mortgage balance. In the example above, the total amount you might borrow would be $110,000 (assuming you qualify).

It's probably best to be as conservative as possible when using home equity. There's no guarantee that your home will maintain its current market value, so you could end up owing more than it's worth. Moreover, in the unfortunate event of default, you could lose your house.

How to Access Home Equity

Generally, there are three ways to access home equity:

1. Cash-out refinance: In a cash-out refinance, you would refinance your mortgage for more than what you owe and take the difference in cash.

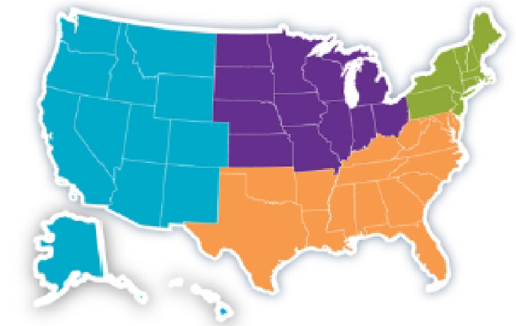
2. Home equity loan: With this type of loan, you would leave your current mortgage untouched and take out a separate loan against the equity in your home, with a fixed interest rate and fixed monthly payments.

3. Home equity line of credit: A HELOC works much like a credit card. You apply for a revolving credit amount up to a certain limit and, upon approval, have access to that money for a specific period, known as the *draw period* (usually 10 years). HELOC funds don't all have to be used right away or at the same time. You can usually access the funds as needed by writing a check or using a linked credit card. Interest rates are variable; required payments will depend on how much you borrow and the prevailing rate. When the draw period ends, all outstanding balances need to be repaid.

Keep in mind that each of these options will have specific fees, including appraisal fees. A refinance could also require closing costs, which can equal thousands of dollars, depending on the amount borrowed.

The best type of loan will depend on your specific situation. If you need a fixed amount of money, a cash-out refinance or home equity loan might be appropriate. If you need an indeterminate amount over time or seek an emergency cash reserve, a HELOC might better serve your needs.

Growth in Home Sales Prices Since 2019



	2019 median sales price	2022 median sales price	Percentage increase
U.S. national	$250,100	$357,300	42.9%
West	$379,200	$512,600	35.2%
Midwest	$188,800	$248,900	31.8%
South	$219,900	$318,800	45.0%
Northeast	$273,000	$383,700	40.5%

Source: National Association of Realtors, 2020-2022 (median existing-home sales data as of February 2019 and 2022)

When Using Home Equity Might Make Sense

Because you're putting your home at risk, it's important to think critically and strategically when using home equity. Are you using the funds in a way that could reap future financial benefits, such as home repairs and improvements, helping to pay for a child's college education, or consolidating high-interest debt? Then it might make sense. (A loan used for home repairs may also offer tax benefits; talk to a tax professional.) On the other hand, it might not be in your best financial interest if you're thinking of using the money to fund an extravagant purchase, such as an expensive vacation or new luxury car.

Home equity loans and lines of credit that are not used to buy, build, or substantially improve your primary home (or a second home) are considered home equity debt; you cannot deduct the interest on home equity debt. With a cash-out refinance, you can only deduct interest on the new loan if you use the cash to make a capital improvement on your property.

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