

Five Reasons Not To Pay Off Your Mortgage Early

Think you can pay off your mortgage ahead of schedule? Before you take the plunge, consider that the costs may end up outweighing the benefits.

By Cari Wira Dineen



Dreaming of a mortgage-free life?

Ready to pay off your mortgage now that your kids and grandkids are on their own? Wouldn't it be great to be rid of that hefty monthly payment—and truly own your home—once and for all? Just thinking about the peace of mind and interest savings can make it tempting to reach into savings or other investment accounts and face one less monthly expense.

First get your ducks in a row. Not so fast. "Before you attempt to pay off your mortgage, you need to make sure all your other financial ducks are in a row," says Liz Weston, personal finance expert and author of *The 10 Commandments of Money: Survive and Thrive in the New Economy*. And while paying off your mortgage is a good idea while you're in retirement to keep interest payments from eating away at your monthly budget, it's still better to postpone tackling your home loan if...

#1: You haven't saved enough for retirement.

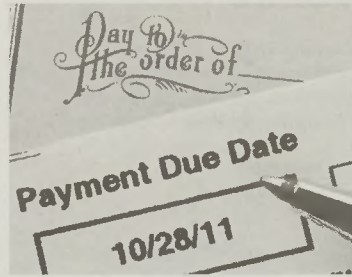
"Simply put, too many people aren't saving enough for retirement," says Weston. Even if you are near retirement, you should be maxing out retirement contributions. Chances are the match and earnings in your retirement account far exceed the low interest you're paying on your home loan.



#2: You have other debt.

A survey conducted by Securian Financial Group found that nearly half of retirees carry debt into retirement.

"If you have any other high-interest debt—student loans, credit cards, or even car loans, paying those off before your mortgage is your priority," says Weston. Plus, your mortgage probably entitles you to a tax deduction that doesn't exist with your credit card debt.



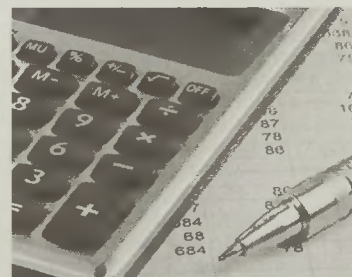
#3: You don't have an adequate emergency fund.

"Many boomers are short on cash even if they have a lot of home equity," says Greg McBride, senior financial analyst at Bankrate.com. [www.bankrate.com] If you don't have enough available cash for two years of living expenses, then it's time to beef up your reserves. "You want to pay off your mortgage and then have no money in the bank, especially if an emergency arises," says Weston.



#4: You remember inflation in the 70s.

In other words, you remember high inflation and high interest rates. "At some point, the economy is going to pick up and there's concern that there will be hyper-inflation," says Weston, "which means everything will cost more." When that happens, you'll be in a better position to handle high price if you have more cash in reserve.



#5: And interest rates in the 70s.

Likewise, once the economy is flush with money, it's likely that the Fed will raise interest rates. "You won't be able to get a low-interest loan anymore so if you need cash, you'll be out of luck," says Weston. And when those same higher interest rates earn your money in the bank more than what the bank is charging you on your mortgage? "You'll feel like a genius," says Weston.

"NO PLACE TO HIDE" This isn't about George Zimmerman

A popular idea among those outraged by the verdict of the George Zimmerman case is the classic role-reversal thought experiment. What would have happened if Trayvon Martin were white and George Zimmerman were black? The conclusions of this experiment are absolutely correct—the details of the case are cut and dry, and a black perpetrator and white victim nestle neatly into our cultural narratives of aggressor vs. victim—but the premise is flawed, and furthermore misses the point.

First of all, George Zimmerman is Hispanic. An actual role reversal would give us a Hispanic youth murdered by a black adult, and the outcome of that hypothetical isn't nearly as clear. That story doesn't satisfy our outrage.

More importantly, this isn't about George Zimmerman. I don't mean to say his race isn't relevant. If they were both black he might have been convicted, it certainly wouldn't have been national news either way.

But in this alternate narrative we're imagining, he doesn't have to be black. If imaginary Trayvon is white, imaginary George Zimmerman can just be George Zimmerman. He can be a white guy. He can be a city council member with a country club membership. It doesn't really matter who he is—you don't get to murder white kids.

Our cultural narratives have room for any color of perpetrator. (They're different narratives to be sure—white murderers get to be "mentally disturbed" while black criminals are depraved drug addicts with no moral grounding.) We may not expect white people to commit violent crime, but we believe it when they do. We know they are capable of it. It just turns out that we are only willing to hold them accountable when they hurt somebody whose innocence we can believe.

What our cultural narratives don't have room for are young black men who aren't violent, who aren't threatening, who aren't looking for trouble. We don't have room for young black men to just be good kids. We don't have room for a young black man to be a victim. He must have provoked Zimmerman, he must have behaved suspiciously, he must have plausibly threatened Zimmerman's life. Even though there is immense evidence that those things are not true, we simply cannot cast him as an innocent.

This story isn't about George Zimmerman's race, it's about Trayvon Martin's.

Interrupting the School to Prison Pipeline: 6-year-old Arrested, Handcuffed

By Judith Browne Dianis

America's Wire Writers Group

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America Healing panelists cited the importance of empowering community groups to achieve victory over these destructive policies.

Developing leaders among both adults and children willing to advocate for common sense school discipline; building the capacity of organizations through training and providing community resources; and broadly connecting the movement across the nation can build a movement that works.

Following this model, parent and youth groups, have successfully fought for change. Denver and Baltimore traded out of school suspensions for minor infractions and adopted a system of positive behavior support, more engaging classrooms, in-school suspensions and restorative justice. Denver reduced the use of police in school discipline. The results are higher academic achievement and graduation rates.

Jerry Tello, director of the national Latino Fatherhood and Family Institute, shared how strong culture and families can play a significant role in diminishing the effects of living within these toxic environments. He emphasized how extreme discipline policies harm the spirit of youth and their self-perception. He H

The discussions at America Healing highlighted the power of combining legal and policy strategies, cultural awareness and community activism to reverse zero tolerance.

If quality education is to be a critical factor to the long-term success and independence of all children, there must be a myriad of innovative practices and partnerships between schools, families, communities, government and business to align and strengthen conditions that will break the school-to-pipeline.

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Great is Thy Faithfulness