



## Simplify Your Financial Life

The Motley Fool

By Selena Maranjian

*Simplicity of life, even the barest, is not a misery, but the very foundation of refinement; a sanded floor and whitewashed walls and the green trees, and flowery meades, and living waters outside...*

— William Morris

Life can be so complicated that we often despair of ever getting ourselves organized. Just in the financial realm alone, we have wallets full of credit and debit cards, store cards, and insurance cards. We have brokerage accounts (often more than one), IRA accounts, 401(k) accounts, education savings accounts, home insurance, health insurance, car insurance, disability insurance (you do have disability insurance, don't you?)... and then there are bills, bills, bills.

Fortunately, there are some relatively simple steps you can take to get your financial life in better order. Here are some tips — see which ones are a good fit for you and your lifestyle:

Consider combining some services with a single provider. There's a good chance that you can bundle your cable TV, cable modem, and telephone service, paying just one monthly bill for all — and you may get a discounted rate, too! **Comcast** (Nasdaq: CMCSA) and **Cox Communications**, for example, offer bundling plans. (And if you're an appreciator of irony, read about how there's value in simplicity for telecom companies.)

Overhaul your credit card portfolio. Do you really need 11 charge cards? I didn't think so. Examine them all and select just a few, the ones that offer just what you need (low rates, no fees, rebates, etc.). Then call and cancel the others. Keep in mind, though, that canceling credit cards can hurt your credit score. (For tips on maximizing your credit, visit our Credit Center. If you're in the market for a new, better credit card, check out these colorful Fool credit cards.)

Invest in a few file folders and keep them near your pile of recently arrived mail. If you can train yourself to drop brokerage statements and various bills in their respective folders, you may sleep more soundly at night, knowing where everything is.

Look into products such as **Intuit's** (Nasdaq: INTU) Quicken and **Microsoft's** (Nasdaq: MSFT) Money, which can help you keep track of all your inflows and outflows. They can be a boon at tax time, too. (Read a little more about them.)

On our Get Organized! discussion board, Fools chimed in with some suggestions of their own:

*will* need to monitor your statements, though, to make sure that you're not being misbilled at any time.)



Sender2 said: "As hard as it can be, track ALL of your expenses for a period of time (at least a month, two or three is better) to see where your money is actually going. Then you can take steps to have it align with your goals..." (Dayana Yochim offered a lazy girl's guide to budgeting that might be of interest.)

Rosewine offered: "For those who still use a paper register for their checking account: Start a new register on January 1. That makes it easier to file the register with your tax records at the end of the year. Also, if you have trouble remembering to use the new year when writing checks, I usually write the new year on all the checks left in the checkbook. By the time I'm through the checks, the new year seems normal."

Kasuma724 suggested: "When I charge something on a credit card or use an ATM, I place the receipt in my checkbook (sort of where the ledger fits into the checkbook cover...). Then when my credit card statement comes, I verify amounts and toss/shred the receipts."

MarkHiatt shared a list: "1) Use Quicken or Money. 2) Sign-up for as many automated payments as you can. 3) Pay online as many of the rest as you can. 4) Pay everything the day it comes in. 5) File those bills away and keep them for five years. 6) Remember: Pay Yourself First."

So did Blkmagwom:

"1) Do not make things more complicated than they need to be. For instance, does a person really need eight credit cards? I have three, two of which I use on a daily basis. That's it. There are consequences to canceling cards, etc. but simplifying the number of cards has been important.

2) I pay bills every week. I couldn't do the 2x a month or once a month thing that my mom does or other people. I would forget to mail them or something and if I pay them every weekend and mail them off on Monday or Tuesday, they aren't ever late and I keep track of my finances and budget every week.

3) Use Quicken or Money to keep track of accounts, assets, etc. I've been using Quicken since 1990 and with all its faults, it is helpful.

4) Have a central place for all your major accounts - statements, terms and conditions, etc.

5) Balance your checkbook, savings accounts, credit card statements every month without fail.

6) Once a year, do a financial checkup and evaluate short-term and long-term financial goals and how you are progressing toward that goal."

1GirlRevolution offered "a very simple, but important tip," that "will make taxes a little less stressful":

"Keep a file folder (red, green, yellow, purple, anything to make the file stand out) for stock transactions! Keep this folder separate from your monthly/quarterly statements.



“List (perhaps in a simple table format):

Brokerage Name

Account Number

Location of Monthly/Quarterly Statements: file cabinet, shoe box stuffed in closet, etc.

Date Stock Purchased

Number of Shares Bought

Price of Each Share

Dollar Value of Shares

Commission Paid

Dividends Received

Stock Splits

Date Sold (or date stock was donated)

Number of Shares Sold

Price of Each Share

Dollar Value of Sale

Commission Paid etc.”

how and why. For a little inspiration, read Karenlj’s story, which starts: “I used to be terribly disorganized. I actually had my electricity cut off twice because I couldn’t remember to pay the bills. I paid a lot of late fees in those days.”

There are obviously many more ways to get your financial ducks in a row. Drop by our discussion board and share your thoughts — or just see what others are suggesting.

And if you’d like some guidance planning your retirement, this is a great time to take advantage of a free sample issue of our new *Rule Your Retirement newsletter*. You don’t have to go it alone when trying to secure a comfortable future.

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