



True Fool Confessions

The Motley Fool

By Dayana Yochim

I do not balance my checkbook.

There. I said it.

As long as I'm coming clean, I should admit that I have never balanced my checkbook. Ever. OK, there was that one time when I first opened a checking account and my mom showed me how to track my deposits and withdrawals on the register. That was during the Carter administration.

To be completely honest, here's yet another embarrassing detail. When interviewing for this job more than six years ago, I was asked to demonstrate my writing ability by composing an essay titled "How to Balance Your Checkbook." Thankfully, I had a goody-two-shoes checkbook-balancer roommate whom I interrogated about her pristine record-keeping tricks.

That little detail didn't come up during the job interview. Nor did my sloppy personal accounting ways come to light at the job I held before this one. At another financial publication. Ahem.

So there you have it. I — a longtime financial writer — do not balance my checkbook. I've already fessed up publicly to some major shopping blunders, lazy budgeting habits, late tax filing (really, really late), and the fact that I use "funny math" to justify my spending. But this checkbook thing has been weighing on me.

I had a hunch that I wasn't the only one working at this company who had financial skeletons in her closet. So I decided to ask my peers to step into the Fool Confessional and cop to their money blunders.

Of course, there are the run-of-the-mill shortcomings: Fools who have families or substantial net worth but no wills. Ones who, like me, don't bother balancing their checkbooks or flossing regularly. Others with large credit card debts, no savings, and even one who cashed out her 401(k) to buy furniture.

Forgive us our transgressions...

Lessons learned

If you're lazy about funding your retirement, I know someone who can relate. A Fool writer — known for dispensing sound financial advice — admits to never having contributed to his (or her... I'm not telling) 401(k). At any job. "I have no rational reason for never contributing — I was just lazy and apathetic." How many thousands of dollars has this Fool passed up in company matching and tax savings? I shudder to think.



Speaking of throwing away free money, are you overpaying for your mortgage? Us Fools, too! One confessed to me that she was paying 9.75% on her mortgage and didn't realize it was a big deal. She has since refinanced — twice — and is down to a more reasonable (and Foolish) 5.25%.

One co-worker learned of a major money blunder when his employer told him that he had a tax lien from the state and his wages had to be garnished. What happened? A missing tax return from 1996. Living in a group home with a bunch of sloppy roommates, the notice was probably used as a coaster or thrown out with an empty pizza box. His credit score plummeted, and the red mark is on his credit record until next April.

Against all of our tutelage, sometimes Fools fall victim to the lure of instant riches. A colleague confided to me that he bought 3dfx when David Gardner bought it for the Fool portfolio years ago. "Trouble was, I didn't really understand the company's business or that Dave's investing style was so much more aggressive than mine." He bought more when the price went down. And held on. Today, the penny stock sits in his portfolio as a reminder. Ouch.

Sometimes even our good intentions backfire. When one Fool loaned money to a family member, the relationship headed south. "He was not able to pay me back, and stopped coming to family events."

Another tried to do the right thing — eke out every last mile from his used car — only to end up with a very costly clunker. "My wife and I spent over \$3,000 to repair our 10-year-old car," he says. Trouble is, the car was worth only \$3,500. He's learned from that expensive lesson and vows to keep up with all those small, annoying, but cheap oil change and mileage check repairs so that they never have to face a four-digit car bill again.

And then, there are just some really, really bad decisions. "In college, I used student loan money to pay rent, buy groceries, do a little online gambling, for bar money, whatever." Today, the buzz is gone, but this Fool still owes Uncle Sam for his partying. He's adamant that this is no big whoop since the interest is tax deductible.

Ouch.

Lessons taught

Take heart. Even those of us who preach fiscal responsibility between the hours of 9 to 5 can be lazy, shortsighted, and even plain dumb. Some of my co-Fools gamble, carry debt, invest blindly, don't budget, overspend on shoes. (Guilty as charged on that last one.) It's human nature.

I have a great excuse to pry for this private information. It's my job. But isn't it yours, too? If you've got kids, share your blunders and the daily workings of the household finances. Be open with your pals — you may learn something, and even better, be able to teach them not to make the same mistakes that you once did.



Got something you'd like to get off your chest? Never contributed to your 401(k)? Carrying credit card debt? Regularly "borrow" from your kid's piggybank? Head over to the Fool Confessional, otherwise known as the Fools and Their Money discussion board.

We're all ears. And, boy, can we relate

Dayana Yochim has not yet told her mom about the whole checkbook register thing. So if you could keep it to yourself for now, she'd appreciate it. Talk about full disclosure, check out the Fool's policy. This column originally ran in November 2003. The Fool who confessed to not contributing to the company 401(k) has since righted this unseemly wrong.

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