

How to Get Your Financial Life Organized

By:
Kelly Stanley, MBA

Earlier this year, I read the book “Smart Women Finish Rich” by David Bach. One of the best takeaways I got from it was how to set up an organizational system for all things financial in nature. By following his system, you will be able to easily find any important document related to your financial life. As you progress through life, you will inevitably find yourself digging for documents because something needs to be updated (i.e. insurance policies, tax returns, estate planning documents, retirement accounts, etc.) Wouldn't it be nice to have this information all in one spot and neatly organized so that you can find things quickly? It will make your life so much easier! But you know who will really benefit from having this organizational system in place? Your family. In a time of crisis, stress levels are obviously high, but if you have your financial related documents neatly filed and organized, it will take a large amount of stress off of your family members if they need to find something or take action quickly.

So, if you don't have any goals for 2011 yet – I encourage you to make “organizing my financial life” one of your top priorities. Spending a few hours of your time now, can save you or your family countless hours in the future.

In order to get this system in place, you will need the following:

- File Cabinet or File Box
- 12 hanging folders (preferably ones with a wide base)
- Approximately 50 file folders

Once you have the supplies, you can start to label your file folders. Below is a list of sample labels:

- Tax returns (have 1 file folder for each of the past 8 years)
- Retirement accounts (1 file folder for each account)
- Social Security
- Investment accounts (1 file folder for each account)
- Savings & Checking Accounts (1 file folder for each account)
- Household accounts
 - House Title
 - Home Improvements
 - Home Mortgage statements
- Credit Card Debt (1 file folder per credit card)
- Other liabilities (1 file folder per loan...college loans, car loans, etc.)
- Insurance Policies (1 file folder per policy)
- Estate Planning Documents
 - Will or Trust
 - Powers of Attorney
 - Living Will
- Children's Accounts (1 file folder per account)

As you begin to complete this exercise, you will probably come across documents that you no longer need to hold onto. So, not only will you be getting yourself more organized, but you will also be reducing clutter from your life. As a reminder, be sure to shred any documents that have personal information on them.

This exercise may also make you aware of additional items that you might need to address in order to get your financial house in order. For example, if you find that you have nothing to put in the estate planning folder, then it is time to review your personal situation and determine if it makes sense to meet with an estate planning attorney. If you have young children and/or have accumulated assets, then you should definitely add "meet with estate planning attorney" to your 2011 "to-do" list.

Securities and Advisory Services are offered through Multi-Financial Securities Corporation, member FINRA/SIPC. Multi-Financial Securities Corporation is unaffiliated with Beverly Financial Group, Incorporated.