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For many people dealing with mounds of paper relating to their finances is a daunting task. Tax-time can prove to be a wonderful opportunity to clear through the clutter. Getting more organized is one of the first steps to gaining more control and creating what you desire with your money. Small actions toward cleaning up financial messes can yield big results.

A profusion of paper is the most common kind of clutter to contend with. Most people receive mounds of statements, prospectuses and marketing material on a regular basis. Those without a system for reviewing information and filing can feel as if they are drowning in a sea of papers. To minimize this flood of unnecessary information, start sorting as soon as you receive it. Discard any marketing material you do not intend to act upon. Set up a system for filing statements; this can be as simple as a three ring binder or file folders in an accordion file. Monthly and quarterly statements usually can be shredded after a year-end statement is received. If you are uncertain which statements you need to retain for tax purposes, ask your financial advisor or accountant for assistance. Clearing up paper piles will not only free up space and reduce stress, but also may assist you in catching errors in your accounts.

Clearing the financial clutter

Errors don't happen often; however, money can be withdrawn from the wrong person's account or fees can be charged in error.

Similarly, establishing a system for bill paying will not only reduce stress, but also help you to avoid late payments. Many people pay bills two times per month. Others write the check to pay a bill when it is received and noting the date the bill is due on the envelope where the stamp is usually placed. This is their reminder to mail their payment in time for it to be received by the due date. To avoid the stamps all together, on-line bill paying works well for many people.

Some people are very organized when it comes to their paperwork, but have too many accounts in a variety of places for no practical reason. I have seen people with six IRA accounts each with a different custodian. Others may have five checking and savings accounts (some with the same bank). If there are no logical reasons to maintain various accounts, close them. Streamlining your investment accounts can help to reduce paperwork, assist you to more easily track your portfolio and may reduce administrative fees.

It is important to also clear out clutter with respect to your investments. Are you hanging on to an investment for emotional reasons as opposed to logical ones? For example, if you inherited a stock from your Aunt Sally and don't want to sell it because you loved your Aunt and she loved this stock, you might not be using good judgment!

Or you maybe you are hanging on to a stock that was trading at \$150 per share in the heyday of the technology boom, and is now trading at \$3 per share. If you do not believe that the investment makes sense for you going forward, consider selling, taking a tax loss and moving on. Not only will you be potentially creating a better portfolio for yourself, you will also be able to stop beating yourself up about how you should have sold the stock at \$150 and didn't.

Most people have at least one financial mess or responsibility they know they should take care of, but have not. For some people, it is updating (or establishing) wills or trusts. For others it might be reviewing their insurance or filing a tax return that is on extension. Whenever there is a financial task you have not yet done (but know you should) there is energy being wasted. Attention is being focused, whether you are aware of it or not, on what has not been completed, rather than on more productive things.

Cleaning up your financial house, a sort of financial feng shui will create a sense of increased control and will speed up movement toward attaining your financial goals.

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