

Six Ways to Simplify Your Finances

Does managing your finances take too much time and effort? There may be things you can do to simplify your finances and free up more of your time.

#1 Automate Savings

One surefire way to simplify your finances (and help keep your financial plans on track) is to set up a system that automatically sends part of your income to your retirement, investment, and savings accounts on a set schedule. If you contribute to a retirement plan at work, your employer already takes care of automatically depositing part of your pay into your retirement account each pay period. You can achieve similar automation with your other accounts by arranging with your employer to have part of each paycheck automatically deposited into your IRA, savings account, and investment account. If direct deposit into multiple accounts is not an option, you can set up recurring transfers with your financial institution to have a specified amount transferred at set intervals from your checking account to your savings and investment accounts. Once either method is in place, your money will go where you want it without you having to lift a finger.

#2: Pay your bills on line or automatically

To pay bills in considerably less time than it takes to write checks, use your bank's on line or mobile bill-pay service. Generally speaking, all you need to do is log in and enter who, when, and how much to pay. Your bank takes it from there, either sending electronic payments or paper checks. And for bills that are always the same amount, consider setting up recurring payments so that the bank automatically sends payment to those billers at the same time each month. Another option is to sign up for auto-pay with your individual billers. When you choose this option, you grant permission to your billers to automatically charge your credit card or withdraw money from your bank account each month for the bill amount. If you decide to use your bank account or debit card for automatic payments, it is important to make certain that there are sufficient funds in your account prior to the payment date to avoid overdrawing your account and incurring overdraft fees. No matter the payment method you choose, it is important to review your bills and financial statements for accuracy.

#3: Set up alerts for low balances.

Rather than checking your account balances every few days, you may want to set up email or mobile text alerts with your bank so that you are notified when your balance drops below the threshold you selected. Not only will this save time, it may help prevent overdrafts.

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#4: Consolidate your retirement accounts

If you have accumulated an array of retirement accounts with former employers and IRAs with various financial institutions over the years, consolidating them into one or two accounts may make it easier for you to evaluate and manage your retirement savings. Plus, fewer accounts mean fewer statements to review, which saves you time. You can consolidate your accounts by rolling them into one IRA (two, if you have both tax-deferred and Roth savings) or into your current employer's retirement plan if the plan allows it. When done properly, both options avoid current taxation and preserve the tax advantages associated with your retirement savings.

#5: Use fewer credit cards

Each credit card in your wallet equates to twelve statements per year. Have five cards? That's sixty statements per year that will need to be reviewed. You can reduce the time you spend reviewing statements by limiting the number of credit cards that you use. Keep in mind, however, that cancelling a credit card may have a short-term negative impact on your credit score.

#6: Use a donor-advised fund

Consider using a donor-advised fund to simplify your charitable giving and reduce the time you spend documenting your charitable gifts for tax purposes. The organization that sponsors your fund typically handles all of the administrative tasks, such as tracking your contributions to the fund, disbursing and tracking the grants you make to charities, and providing you with periodic financial statements.

**The Robin S. Weingast & Associates Team is here to help you
simplify your finances and make your life easier!
Contact us today to learn how we can help.**