

# Organizing Your Finances Can Pay Off — in Many Ways

A few years ago, the National Association of Professional Organizers designated the first week of October as Get Organized Week. And while you may have misplaced your notification of this event, it's nonetheless a good time to see just how organized you are in the important areas of your life — such as your finances.

You can organize your finances in two basic ways: by keeping track of where your various accounts are located and by consolidating your assets. Let's look at both these areas.

To begin with, you might think it's no big deal to keep track of your financial accounts. After all, no one lets these accounts just slip away, does he? Actually, you might be surprised: At least \$32 billion, and possibly much more, of "lost" property (savings, investments, retirement accounts and so on) are in the custody of state treasurers and other agencies, according to the National Association of Unclaimed Property Administrators.

How do people misplace these funds? They might move from a town and forget to close a bank account. Or they might leave a job and not realize they've left behind money in a 401(k). However they do it, it happens — but you don't want it to happen to you.

Fortunately, it's not hard to keep tabs on your various accounts — you just need to make a list. Where do you keep your checking and savings accounts? Where are your investments held? Do you have a retirement plan, such as a 401(k) with your current employer? How about any retirement plans with former employers? If you have Individual Retirement Accounts (IRAs), do you keep them with multiple providers? By answering these questions, you can develop a comprehensive list of what you own and where it's located. Of course, it's a

good idea to update this list periodically — at least once a year — to reflect any changes in your ownership.

Knowing what you have will be helpful to you in evaluating your financial situation today. But if you want to help yourself make progress toward your goals for tomorrow, you'll also want to consider another organizational technique: consolidating your assets.

Specifically, if you have some stocks here, a couple of certificates of deposits (CDs) there and some IRAs at still another place, you might consider consolidating them with one financial services provider. With all your investments in one place, you can possibly reduce the fees and paperwork associated with maintaining your accounts. And when you eventually start taking withdrawals from your IRA and 401(k), you may find it easier to calculate these required distributions if they're coming from just one provider, rather than multiple sources.

But most importantly, when you consolidate your investments with one provider, you'll find it easier to follow a single, unified investment strategy. A qualified financial advisor can look at all your assets and determine if you've got redundancies in your holdings and if you need to increase your diversification. (Keep in mind, though, that diversification, by itself, can't guarantee a profit or protect against loss.) Furthermore, once a financial advisor knows your situation, he or she can recommend strategies that are appropriate for your objectives, risk tolerance and time horizon.

Get Organized Week lasts only seven days. But by using this time to begin organizing your finances, you could see benefits for years to come.

*This article was written by Edward Jones for use by your local Edward Jones Financial Advisor.*