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Best strategies for simplifying your financial life

Seven ways to streamline how you manage your money

There are many reasons to organise and simplify your financial life. Eliminating clutter, saving time and reducing stress are surely among them. And here's another motivating factor: Not keeping tabs on your finances can be costly if it results in fees or interest charges you could have avoided, investment losses, additional taxes or other pitfalls. Below you'll find a checklist of seven basic things you can do to get your money matters in order...and keep them that way.

1. Set up direct debits for bills

Many merchants, such as insurance companies or utilities, will give you a discount if you pay recurring bills by direct debit from your bank account or by credit card. However, be sure to make a record of these transactions to avoid going overdrawn. If you charge the bills to a credit card, pay the balance in full by the due date to avoid interest charges.

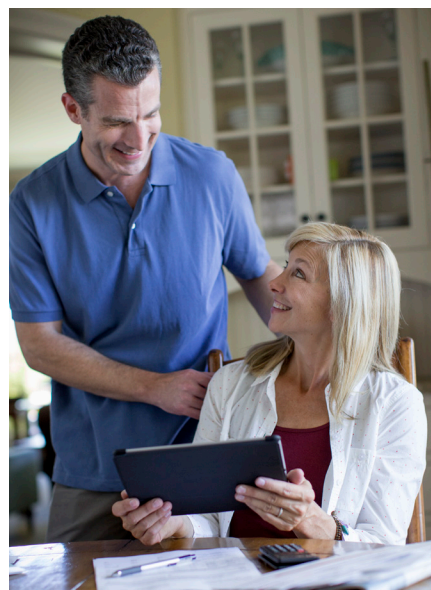
Many banks also offer online bill-paying services that allow you to pay bills quickly and easily. These programmes generally allow you to sign up on your bank's website to receive bills electronically from companies you do business with. Then you can review the bill and pay it using that same website. Many companies also give you a further discount for going 'paperless'. It also means you don't forget to pay a bill and thereby incur a late payment fee.

2. Explore online banking

This service lets you review deposits and withdrawals, keep track of your balance and move funds between, say, your current and savings accounts at your own convenience. With online banking you can quickly review your account and make sure you didn't forget to record any debit or ATM card transactions when keeping track of your bank balance.

3. Put some savings on autopilot

Set up a standing order with your bank to automatically transfer a certain amount into savings accounts or investments on a regular basis. Saving in this way can make it easier to build an emergency fund or save for the future.



At a glance

- Organising your financial life can often save you significant amounts of money.
- There are many other reasons to simplify your financial life such as eliminating clutter, saving time and reducing stress.
- Not keeping tabs on your finances can be costly if it results in fees or interest charges you could have avoided.

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4. Consider consolidating accounts

Think about how many different financial institutions you use and how many accounts and credit cards you have. You may be able to simplify your finances, reduce correspondence and paperwork, avoid certain fees and even get better deals by consolidating multiple accounts. Also, consider cancelling credit cards you never use, preferably well before you apply for another loan in case dropping a long-time card temporarily lowers your credit score.

5. Look into automated money-management tools

Software that you download to your computer or web services managed by your bank or a third party can give you an updated snapshot of all your account information from multiple institutions, in one place. The programmes can also help you organise your finances, understand how you spend your money and spot a potential fraud or theft. But it's also important to take common sense precautions. It pays to do your research and choose a known and reputable organisation, as most of these services collect account numbers and passwords along with other confidential and personally identifiable information.

6. Get your other papers under control

Even if you rely on technology, it's difficult to go completely paperless. Start with a central filing system at home for your bank, tax, insurance and other financial records. Also designate one place for gathering your bills and get rid of the papers you're sure you don't need.

7. Don't let a disaster catch you off guard

If an emergency were to occur and you had only a few moments to evacuate your home, perhaps for several days or even weeks, would you have access to cash, banking services and the personal identification you need to conduct your day-to-day financial life?

One strategy is to store copies of important documents, such as your driving licence, bank account numbers and credit card information, on a secure website that you can access from anywhere.

It pays to take the time to organise and simplify your financial life as, in the long run, it can save you many hours and perhaps significant amounts of money.



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