

AN ORGANIZED FINANCIAL LIFE CAN BRING PEACE OF MIND

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Money problems impact our lives everyday – some through no fault of our own. Perhaps you were a victim of identity theft, which put all your private information and financial accounts at risk. Maybe you mailed your mortgage payment, and it never reached your lender. What about the time you were carrying a large amount of cash and your purse or wallet was stolen?

Most of us can relate to the frustration, anxiety, time, and effort it takes to deal with inconvenient and costly financial glitches like these. In retrospect, having all your account information in one place likely would have made the tedious recovery process much easier, quicker, and more efficient.

As hard as it is to admit, the majority of our money issues happen under circumstances we do control. In all fairness, everyone loses or misplaces money occasionally. But it's one thing to find a \$50 bill in an old coat pocket – quite another to forget about a former company 401(k) account containing thousands of dollars when no one else knows it exists.

Frankly, costly situations happen regularly with our finances because of one big money problem many of us have in common: *disorganization*.

Once you figure out your net worth, you can take control of your finances by:

- Setting short-term and long-term financial goals
- Creating or adjusting your budget
- Monitoring your spending
- Tracking all your bank accounts, investments, loans, credit cards, real estate holdings, personal property, business valuation, insurance policies, and more

You're probably wondering if it's worth the time and effort to gather all this information and consolidate your documents in one place. The answer is "yes" – not only for your peace of mind, but also for those you love. Unfortunately, if something happens to you and your financial accounts are not organized in one place, it could take months or years to distribute your assets. In the U.S. alone, approximately one out of every ten individuals has abandoned property in his or her name waiting to be claimed.² Currently, an estimated \$58 billion in abandoned cash and benefits is being held for beneficiaries by states, federal agencies, businesses, and other organizations.³

WHY IT'S IMPORTANT TO DETERMINE YOUR NET WORTH

Knowing your net worth – the total of all your assets minus your liabilities – can tell you a great deal about your current financial health. Your net worth is the cash you would have left if you sold everything you owned and paid off your debts. In fact, determining your net worth may be the most important part of organizing your finances.¹

Having your net worth documented, account records archived in one place, and access to important information shared with those you trust will help you control current financial problems as they arise and avoid lengthy wealth transfer issues once you're gone. Most important, you will have peace of mind knowing you've done your part to help your family and team of financial, tax, and legal professionals apply for and claim benefits, get through the probate process, close financial accounts, and pay any final estate or income taxes.

MORE BENEFITS OF CONSOLIDATING YOUR FINANCIAL INFORMATION

The following are a few more benefits to getting organized that may motivate you to get your financial house in order.

SAVE TIME AND ENERGY

Consolidating your financial records will ultimately ensure that when you need a specific piece of information or documentation, it will be in an easily accessible, convenient place. Having a manual spreadsheet, software, or online system to handle and store routine paperwork, important documents, and monthly bills in one specific location eliminates hours of backtracking and searching for misplaced documents – not to mention sifting through shoeboxes, drawers, and closets for lost statements and receipts that may never be found.

ORGANIZATION BECOMES ROUTINE

A routine, by nature, is the act of repeating the same pattern over and over until you eventually do it without thinking. The ultimate goal of getting organized is no different. For instance, when you go through your mail, don't just glance at it and throw it on the kitchen counter. Take a minute to pull out the bills and place them in a particular spot until you're ready to pay them. This action will quickly become routine, and you're one step closer to an organized financial life.

FEEL MORE SPONTANEOUS AND ENERGETIC

Once you organize your financial life, you'll have more spare time to do the things you want and tackle other projects that have been weighing on your mind. You can be more spontaneous because you know your financial life is in order, and that's a huge accomplishment. Clearing out the clutter and organizing even one part of your life not only removes stress and anxiety, it also can be energizing. Treat yourself – go away for the weekend or plan a family outing.

BUILD CONFIDENCE

It's always a good feeling to finish a task you've put off for months, maybe even years. Clutter and disorganization can erode self-confidence, and that shows up in all aspects of your personal, business, and social relationships. But once you get one aspect of your life organized, it's easier to move on to the next challenge. You'll not only gain confidence in yourself, but also in your ability to handle and control all aspects of your financial life going forward.

WE CAN HELP

Having an accurate, real-time view of your net worth is an important step in determining whether you're headed in the right direction and able to meet your financial goals. A Commerce Trust advisor can help you take steps toward peace of mind for you and your loved ones. Contact us today.

¹ Source: Erin Huffstetler, thebalance.com, “4 Easy Steps to Start Organizing Your Finances,” <https://www.thebalance.com/organize-your-finances-1389025>, updated October 29, 2020.

² Source: National Association of Unclaimed Property Administrators, “What is unclaimed property?” <https://unclaimed.org/what-is-unclaimed-property/>, accessed March 5, 2021.

³ Source: golookup.com, “Unclaimed Money Statistics,” <https://golookup.com/unclaimed-money/unclaimed-money-statistics>, March 5, 2021.

The opinions and other information in the commentary are provided as of March 30, 2021. This summary is intended to provide general information only, and may be of value to the reader and audience.

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Guy is a financial planner manager for Commerce Trust Company. He is a member of the financial advisory services team — a dedicated financial planning practice within Commerce Trust that provides objective financial advice to clients. Following a thorough assessment of a client's unique situation and thoughts regarding wealth, Guy develops holistic and coordinated plans to help clients meet their short-term and long-term goals as well as take full advantage of various planning, tax, and investment strategies along the way. With more than 20 years of financial planning experience, he is responsible for providing quality advice to clients and prospects of Commerce Trust. Holding both Certified Public Accountant and CERTIFIED FINANCIAL PLANNER™ designations, Guy's extensive experience in financial planning includes working for banking and accounting institutions as a financial planner and tax advisor. His expertise includes planning for financial independence, executive compensation, estate preservation, philanthropy, and business succession. Guy received his bachelor of administration in business and economics from Wheaton College. Additionally, he is a member of several organizations, including the Financial Planning Association and the American Institute of Certified Public Accountants. Guy speaks and writes regularly on financial issues and has served as a faculty member for ABA National Graduate Trust School.



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