

J.D. shares his idea of a Money Day – one day where you handle all the pressing financial things you need to do. Imagine what it would feel like to finish the major things you've been meaning to do in one day. Best of all, he offers his recommendations for the best companies and books to get started with. Why didn't I think of this? –Ramit

Money Day

By J.D. Roth of Get Rich Slowly

(<http://www.getrichslowly.org/blog>)

I opened my first checking account on the day I entered college. During registration, they all seemed the same to me, so I chose the bank that gave me a free Frisbee.

I did business with that bank for seventeen miserable years. I loathed that bank. They were constantly finding new and interesting ways to charge me money. If I hated it so much, why didn't I change? Because I never felt like I had the time. Besides, I had no idea where else to go.

Eventually the bank went too far. Because of some obscure procedural policy, I was charged three \$30 overdraft fees in one day. This kicked my ass in gear. I took an afternoon off from work, closed my account, and started fresh at a local credit union. It was one of the best financial decisions I've ever made.

If I could solve one financial problem in a few hours, just imagine what I could do with an entire day. If you, too, have grand financial plans that you never seem to have time to fulfill, consider taking a personal Money Day. Choose a normal weekday (when banks and business are open), take time off work, and get things done. Don't worry that you're using a vacation day for "nothing" – this vacation day will repay you many times over, not just now but for years to come.

Before you begin, remove any barriers – mental or physical – that might prevent you from accomplishing your goals. Gather all the account information you can find. Eliminate distractions. Commit to spending the entire day taking control of your personal finances. It's time to do all the things you've been putting off.



Here are some tasks you might consider for your Money Day. These may sound dull, but the money you'll save by taking the time to do these can be very exciting:

- Begin tracking every penny you spend. This one change can work wonders on your finances. You can't change your habits if you don't know where the money goes. You can track your spending with a simple notebook, but most people find a computer makes things easier. You can create your own spreadsheets, or you can try a piece of personal finance software like Quicken or Microsoft Money. There are some exciting new web applications, too. Give Wesabe (<http://www.wesabe.com>) a try.
- Set up a budget. A budget can be a valuable tool. Yeah, the whole concept is boring, but if you can plan where your spending will go, you can make better decisions with your money. You can set up a budget on a piece of paper, or in a spreadsheet, or with a piece of software like PearBudget (<http://www.pearbudget.com>), for example.
- Optimize your bank accounts. If you, too, picked a bank because they were handing out free Frisbees, it's probably time to find a bank that works for you as an adult. If you're happy with your bank, then call them and ask them to eliminate service fees or to give you better interest rates. If you're unhappy with your bank, find a new one. A local credit union is an excellent choice. You might also consider internet banks, which often feature better interest rates. Here are a few:
 - ING Direct (<http://www.ingdirect.com>)
 - Emigrant Direct (<http://www.emigrantdirect.com>)
 - HSBC Direct (<http://www.hsbcdirect.com>)
 - VirtualBank (<http://www.virtualbank.com>)
 - GMAC (<http://www.gmacbank.com>)
- Open an investment account. This may sound scary, but it isn't. It's easy. And because of the magic of compound returns, making regular small investments now will pay off huge in twenty or thirty years. Consider scheduling automatic investments: have \$100 (or \$50 or \$25) withdrawn from your checking account each month and put directly into a mutual fund of your choice. Sharebuilder (<http://www.sharebuilder.com>) is excellent for this. You might also try:
 - TD Waterhouse (<http://www.tdwaterhouse.com>)
 - Ameritrade (<http://www.ameritrade.com>)
 - E*TRADE (<http://www.etrade.com>)
- For more information on this concept, borrow David Bach's *The Automatic Millionaire* from the



public library.

- Call around for better deals. What are you paying for your credit card? Your cable? Your cell phone? You can probably find better deals elsewhere. Do some research. Did DirecTV just mail you a great offer? Did you get a zero-percent credit card mailer? Use this information as ammunition. Call your current service providers and ask if they can meet or beat the deals

from their competitors. They may not, but it never hurts to ask. If you want to play hardball, threaten to close your account. This is often very effective, but you have to be prepared to actually follow through with your threat. An hour or two spent calling utilities and credit card companies can free up cash now.

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more, you're less likely to read any of them.) Take this book home and begin reading it. Which book should you choose? Any of the following are excellent starting points:

- o Your Money or Your Life by Joe Dominguez and Vicki Robin
 - o The Total Money Makeover by Dave Ramsey
 - o The Millionaire Next Door by Thomas Stanley and William Danko
 - o The Only Investment Guide You'll Ever Need by Andrew Tobias
 - o The Wealthy Barber by David Chilton
- Visit your public library. Borrow one (and only one) personal finance book. (If you borrow more, you're less likely to read any of them.)
 - Once you've finished your first personal finance book, you'll have a better idea of the topics that interest you. Return it and check out one (and only one) new personal finance book.
 - Set financial goals. Most young people putter through life with no idea what they're supposed to be doing. You don't need to be one of them. Are you carrying credit card debt? Do you have an emergency fund? Would you like to buy a house? A car? Would you like to start a business? Take some time to decide where you want to be ten years from now. Create some money goals to act as a roadmap to your future. Here's an excellent set of basic goals you can build upon:
 - o Establish a \$1000 emergency fund.
 - o Pay off credit card debt.
 - o Fully fund a Roth IRA each year.
 - o Save for major expenses: house, marriage, car, etc.



- Goals keep you on course. They give you something to work toward.
- Create a money file. This can be an actual file, or it can be a shoebox. It can even be an encrypted file on your hard drive. It simply needs to be an easy-to-access location in which you keep all of your important financial information, including account numbers, service providers, phone numbers, etc. This final step ties together all the work you've done on Money Day.

These are just a few tasks you can get done on Money Day. Only you can say which tasks are most important, which tasks you've been putting off. Make a list. Gather information. Don't just talk about improving your financial situation – do it. Make a commitment to your financial future: throw away that free Frisbee and schedule a personal Money Day.

ABOUT THE AUTHOR

J.D. Roth is the author of Get Rich Slowly (<http://www.getrichslowly.org/blog>).

