

# MANAGING YOUR MONEY



## KISS Financial Hassles Goodbye

(NAPSA)—Simplicity is key to developing a successful financial portfolio. According to Rande Speigelman of the Schwab Center for Investment Research, consumers should focus on the KISS principle—Keep It Simple, Sweetheart. Simplifying finances can save more than time and hassle. It can also save money.

Below are five steps to simplify your finances.

### Consolidate Accounts

Too many accounts scattered among banks and brokerage houses creates problems: It's harder to track investments and you may be paying more in fees. Consolidating investment accounts—even banking services—with a single provider makes managing financial affairs far easier. In addition, you will be more likely to meet minimum balance requirements and pay less in fees.

### Cut Down on Credit Cards

If you have more than one or two major credit cards, in addition to numerous department store and/or gas station cards, you probably have too many. Even if you don't use them all, a large number of cards can hurt your credit rating because lenders may be wary of all that available credit. If you do use more than one or two cards, you could end up making a handful of minimum payments each month, burying yourself in interest payments.

### Mutual Funds: Enough is Enough

Too many funds, particularly in a single asset class style such as large-cap growth, could turn you into a "closet indexer." You end up paying higher fees for active management when, if you put your mutual funds all together, you'd get pretty much the same thing if you bought an index fund. Even worse, all those different managers could be buying the same stocks, increasing your risk and exposure. By consolidating your portfolio into fewer funds, you could find your portfolio is both easier to track and less costly.



Many people love the idea of consolidating their finances.

### IRAs: All for One and One for All

There may be estate planning reasons to hold more than one IRA but for most of us, one traditional IRA, one Roth IRA and one employer plan such as a 401(k) should do the trick. If you have more than one traditional IRA, consider consolidating them into a single account. And if you have 401(k) assets with a former employer, consider rolling them over into your traditional IRA. You'll find it easier to keep track of your investments and you might even end up paying less in fees overall.

### Filter the Noise

With newspapers, magazines, radio, television and the Internet, we have access to more financial news and information than previous generations could ever have imagined. Unfortunately, access to lots of information doesn't always lead to wise decision-making. Financial goals should be measured in years and decades, so don't make rash decisions based on day-to-day news. Tune out the clatter and stay on course with long-term goals.

For additional tips on how to simplify your finances, visit [www.schwab.com](http://www.schwab.com)

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