

# Organize Your Financial Life to Make the Most of Every Day



**BAIRD**

Private Wealth  
Management

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Part of living life to the fullest is being intentional about planning for your future – no matter your age. Life, though, can sometimes get messy, and it's all too easy to let what you've built over the course of a lifetime become a jumble of electronic files and paperwork that only you can navigate.

But what would happen if you couldn't navigate it? Maybe you are struck unexpectedly by a serious illness, become incapacitated due to an accident or begin to experience significant memory issues. Who would you trust to step in to help, and would they know how to even get started carrying out your well-laid plans?

Just as you might leave the keys to your house with a trusted neighbor whose help you might need while on vacation, it's important to share the keys to your financial life with a close trusted contact for the day you might need help.

As a financial advisor, I've helped extended families weather life's ups and downs for nearly 25 years. Just as you would plan for the financial implications of a marriage or an addition to the family, it's important to plan for what you can't anticipate as well. To find the motivation to get and keep their financial lives organized, I encourage my clients to think through the worst-case scenarios. What can you do today to make it easier for the ones you care most about to carry on if you can't be there? How much harder will it be on them if they have don't have a road map to follow? Being prepared is truly an act of kindness for your family and loved ones.

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## Identify Someone You Trust

Start by identifying the person you will trust to handle your affairs should something happen to you. While many assume their spouse will handle their affairs, in some cases he or she may not be in the best position to handle these tasks. Alternatively, you might consider an adult child, a sibling or other family member, or a close friend you trust. It's also not uncommon for an accountant or attorney to accept the role of fiduciary.

In an effort to be fair, some parents try to name all of their adult children to this important task. This may create more conflict than intended. Family dynamics can be fragile, and it can be challenging to get everyone to agree. It is best to identify one person – preferably someone with some financial aptitude and organizational skills – to fill this role. If family members can't fill these roles, perhaps a family friend may be willing to help.

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## Start by Thinking About Your Values

As part of this process, it is important to consider and share with those you love the values behind why you've made certain decisions about money and what they say about you. How have you approached spending, saving and investing your money over the course of your lifetime? What financial lessons have you learned that you would like to pass on? Are there charities you support and why are they important to you? It's never too early to start what should be an ongoing conversation about money and what it means to you.

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## Gather and Keep Critical Information in One Place

Keep critical information in a place where your trusted contact can find it. I encourage my clients to create a "grab and go" binder with key information. An alternative is to save everything to a secure flash drive. Regardless of which works best for you, you'll want to make sure it's stored in a safe place such as a safety deposit box or locked drawer given the highly sensitive nature of this information. You might also want to consider using a password manager such as LastPass or 1Password on your home computer and personal devices. With these programs, you create and remember one master password and then add the usernames and passwords for your various accounts to its encrypted database.

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You will want to make sure to capture the following information:

- **Key contacts** – Include addresses, phone numbers and email addresses. This list should include:
  - o Immediate family members
  - o Other trusted personal contacts such as a family friend or minister
  - o Financial advisor(s)
  - o Accountants
  - o Attorneys
  - o Bankers
  - o Insurance agents
  - o Doctors (including a list of prescribed medications and dosages, if appropriate)
- **Important documents** – Make copies and note the location of the original.
  - o Social Security card
  - o Driver's license
  - o Passport
  - o Military records
- **Access to your digital footprint** – Record usernames, passwords and/or PIN numbers for the following:
  - o Home computer and personal devices (i.e., mobile phones and tablets), making a note of all email accounts and passwords
  - o Social media accounts
  - o Online medical records
- **Financial/investment accounts** – Note where the accounts are held along with account numbers.
  - o Bank accounts
  - o Retirement accounts
  - o Investment accounts
- **Estate planning documents** – Include copies of wills, trust documents, powers of attorney (financial and medical), beneficiary designations, etc., and note the location of the originals. These documents should include detailed instructions for the charitable organizations you would like to support.
- **Insurance policies** – Make copies of the cards for any insurance policies you hold (e.g., life, medical, dental, disability, long term care, homeowners, auto), noting the companies they're with and policy numbers.
- **Safety deposit box** – If you have a safety deposit box, note where it is and where the keys can be found.
- **Personal property** – Note the location of the titles to any homes and cars you own. Include an itemized list of jewelry, artwork and other items of value.
- **Recurring bills** – Note bills that need to be paid on a recurring basis (e.g., landline and mobile phones, internet, cable, electric, gas, health club membership) and how they are received (mail or electronically).
- **Loans and credit** – Note any outstanding debt and/or loans that need to be paid, including mortgages, lines of credit, bank notes and credit cards. Don't forget to include any debt where you may not be the primary debt holder but a co-signer.
- **Household services** – Note any ongoing household service and maintenance contracts, such as house cleaning, lawn care and snow removal.
- **Pets** – Identify someone to adopt or care for your pet.

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Gathering this information can take time, and you'll want to spend 10 minutes making any necessary updates on a monthly basis to ensure the information is current, paying close attention to passwords. To make this task easier, ask your financial advisor for help, as he or she may keep much of this information for you. Baird has a [Personal Information Guide](#) that can help you get started as well.

## Conclusion

At some point in our lives, every one of us will need help, and preparing for that time can give you peace of mind that helps you appreciate and enjoy every day. Don't let the task overwhelm you. Look at this as a living document and conversation with your loved ones. What matters most is getting started. Begin with the end in mind: Taking the time now to gather and organize your key information will be immensely helpful to those you care most about when their help is needed.



Rebecca Richardson, CFP®, is a Director and Senior Investment Consultant with Baird. Additionally, she is the current president of Baird Women Advisors, a group composed of female financial advisors who are committed to promoting the profession and making Baird the best place to work for women in wealth management.