

HOW TO BE  
**SMART,**  
*Successful,*  
**& ORGANIZED**  
WITH YOUR MONEY ...



... FOR A BETTER TODAY  
AND TOMORROW!

*Judith Hefft*

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*Successful,*  
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# ADVANCE *Praise*

“How you manage your money is a direct reflection of your beliefs about yourself. Getting better at managing your money is an act of self-worth. This indispensable manual shows you how to do just that by helping you get a handle on their daily financial flow. Read it. You’re worth it.”

- **FABIENNE FREDRICKSON**, founder of [Boldheart.com](http://Boldheart.com)

“Judy Heft is a rock star when it comes to helping people understand and manage their personal finances. This book covers it all, including how to deal with the least talked about, but most common, personal expenditures—such as what to do when you fall for the hard sell at your fitness club—the kinds of things so many of us are embarrassed to admit. Judy's writing is breezy, but direct, practical, and easy to understand. You'll find all the tools you need to live a life where you're in the financial driver's seat, building your own wealth instead of others'. Buy a copy for everyone you love. I am.”

- **RUTH SHERMAN**, CEO & Celebrity Coach, Speaker, and author of *Speakrets®: The 30 Best, Most Effective, Most Overlooked Marketing and Personal Branding Essentials*

“Judy Heft shares countless ideas and suggestions in her well-constructed and thoughtful book. Within these pages there are more than mere morsels of best practices and warnings. She provides a down-to-earth approach to simplifying many aspects of everyday life that many find confusing. I recommend this book to anyone who feels overwhelmed or knows someone they wish to help get more organized about finances.”

- ERIC A. KREUTER, PH.D., CPA, CGMA, CFE, Partner, Marks Paneth LLP, New York City/Westchester; Author of *Chasing Rainbows: An Existential Perspective of a Marathon Runner*

“Pragmatic ideas. Sharp insight. Honest recommendations. Just like when you are talking to Judy, her book speaks volumes from her experience and shows her value to her clients. Fun to read, this book is full of great material to be shared with others.”

- MARC W. HALPERT, author of *LinkedIn Marketing Strategies for Law and Professional Practices: Techniques That Work*

“*How to Be Smart, Successful and Organized with Your Money* is an invaluable study, told in a straightforward manner that will appeal to everyone. Judy Heft’s expertise in all fields of handling your finances is deftly told through this superb book. Fraud and especially Elder Abuse were two chapters that really hit home for me; the author provides us not only the ‘warning signs’ from these predators, but also divulges how you can prevent this from happening to yourself or your loved ones. So many other subjects are covered in this amazing volume. Ms. Heft really deserves praise for bringing this excellent publication to the forefront.”

- LOU SABINI, Author of *They Were Expendable* and *Sex In the Cinema, the “Pre-Code” Years (1929-1934)*

“Judy Heft shares her considerable and sound knowledge and expertise guiding her clients with their finances and basics of daily living. It empowers the couple starting out and refreshes the family further along in life and career in making the right decisions, the smart decisions to stay whole. Basic common sense approaches. Follow the Judy.”

- COREY BEARAK, ESQ., Author of *The Public Ought To Know*

"It is remarkable how little people know about the essentials of handling money, be it spending, saving, planning, reviewing, or budgeting. This book is awesome in that it speaks on every topic related to handling money for individuals and families. I found the section on Financial Literacy to be valuable, pointing out that small tricks of businesses can unsuspectingly cost you substantial dollars. Judy's warnings on consumer fraud, scamming, and abuse of elders is spot-on, and oh-so-critical for us all to be aware of. But the part I loved best is Chapter Eight, with its focus on the biggest financial regrets, such as this one: 'The biggest financial regret I made is that I put my children's private high school and university education at a higher priority than my own retirement.' Now *that* hits hard at home. Too often, we don't consider these things until after the fact, when it's too late. Judy makes sure you think of these things ahead of time. I needed this book thirty years ago!"

- HANS HANSON, author of *The Inside Secrets to Playing College Sports: What Every Mom and Dad Must Know!*

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# CHAPTER *One*

## A DAY IN THE LIFE

**W**oke up. Got out of bed. Worked out to clear my head.

That's how I begin every day. I find that it prepares me for whatever challenges are in store for me—and the average day brings plenty of challenges.

One day earlier this year, I kept a detailed journal of my activities, and I surprised even myself.

- **Processing the Mail:** I read the mail to a client who suffers from macular degeneration and took her bills back to my office where they would be paid, scanned, and shredded.

- **Daily Money Manager:** I stopped at another client's house to pick up her mail and have a brief meeting. We discussed the state of her accounts, and whether or not she needs funds transferred into the bill payment account to pay her estimated taxes and mortgage as well as other monthly expenses.
- **Interpreting a Letter From the New York State Government:** Being a Financial Concierge also means being an interpreter of government jargon. The next clients I helped had let go of their nanny, and subsequently received a notice from the New York State Department of Labor. According to the letter, their employer contribution rate to the unemployment office was increasing as a result of the firing. After explaining the situation to my clients, I provided them with an official New York State publication that explains the system.
- **Tracking Specific Expenses:** I was happy to see that one of my clients was keeping an eagle eye on his expenses when he contacted me for a report on landscaping expenditures. Because I categorize and track my clients' expenses, it took no time to print an easy-to-understand report.
- **College Tuition:** Another client needed me to verify that her child's college tuition had been paid and credited properly.

- **Internet Fraud:** A grandmother called me about some strange e-mails she had received. I helped her change her passwords on several accounts.
- **Elder Care:** I met with an elder care manager in order to find a new caregiver who was the right fit for a ninety-five-year-old client.
- **A Voice of Reason:** The daughter of a client got into a car accident, so I took care of the car accident report. I became concerned when my client's home health aide inserted himself into the picture, claiming to be qualified to do the body work on the damaged car. I explained to my client why this was a bad idea (lack of insurance, experience, etc.). She agreed to take the car to a professional.
- **Moving Logistics:** A couple I work for made the decision to downsize and move into a condo in a high rise building. It turned out that the air conditioning for the building was down, so we had to make other plans for them.
- **Shady Car Dealership:** A client was interested in buying a car, so he gave a dealership his American Express card to cover a deposit. When he decided not to buy the car, he discovered that the deposit had not been refunded. We contacted American Express and disputed the charge.

And no matter how busy I am, when my day is over, it's over. Barring any emergencies, after 6:00 p.m. is my time—and I hope you do the same for yourself. If you can't, then it may be time to hire a Financial Concierge to free up some of your valuable time.

# CHAPTER *Two*

## FINANCIAL LITERACY 101

**B**eing American means being free, bold, and friendly ...  
... Unless you've ever dropped a bunch of coins on the ground and dared not to pick up the pennies. People will give you dirty looks! And you know what they are thinking: "Oh, we have a big shot over here not picking up her pennies!"

It is in our nature to work hard and value every penny we have earned. We love deals and do amazing calculations in our brains when we're shopping. But what about saving money in the ordinary, mundane services that you already pay for?

### CELL PHONE CARRIERS

Like cable companies (which we'll talk about later in this chapter), customer service representatives at wireless carriers

hawk a long list of add-ons designed to balloon your bill to epic proportions. And the number-one offenders are unnecessary data subscriptions.

The last time I had the pleasure of spending hours in a wireless store, I was shocked to see how much data my salesperson had signed me up for, without even asking. Unless I got into the habit of watching YouTube videos all day at a location with no Wi-Fi, it is very difficult to imagine the scenario where I could possibly burn through 10 gigs of data in a month. Make sure to read your cell phone bill each time you receive it to monitor how much data you actually use—or get an app from the App Store or Google Play to do it for you.

## CABLE PROVIDERS

Unlike cell phone carriers, cable providers are not generally inclined to negotiate prices. However, that does not mean you can't save some money. With the rise of “cord cutters,” or people who rely solely on streaming services like Netflix, cable companies have become quite aggressive in pushing their bundle packages that include voice, data, and television plans. In fact, it is probably a good idea to review your bill to make sure they didn't “mistakenly” add any of those services.

It's an important point because packaged deals from the cable company do not always save you money. I know of one situation in which the “triple play” from a cable company cost more than paying for a separate phone line.

## ELECTRICAL SUPPLIERS

In the 1990s, states began to “unbundle” electric service bills so there are now two separate charges:

- The energy supplier produces the energy. This is where you have a choice between a big utility company (like ConEd) or a smaller producer.
- The utility company (like ConEd) owns the power lines that deliver the energy.

Unfortunately, many people who chose to go with a smaller supplier are facing a price increase of 30 cents per kilowatt hour—and worse, many do not even know it. If I sound like a broken record, forgive me, but ... You should *always* read your bills in their entirety to see if you still need what you are paying for.

## GYM MEMBERSHIPS

Going to the gym is great for the mind and body, but sitting down with a salesperson when you first join ... not so much. First they had me trying to consider the various joiner’s fees against the various monthly charges. Next they started badgering me about personal trainers. The next thing I know they’ve got my belly fat in a caliper and I am signed up for personal training sessions every day at 6:00 a.m.

If this happens to you, don’t worry. You can make it all go away as long as you cancel within three days, because there is a federal law that affords you that right.

## BANK STATEMENTS

Banks make mistakes all the time. In my role as a Financial Concierge, I have seen banks make some serious, serious mistakes. The only way to guard against this is to know what you have, and the only way to do that is to balance your checkbook. Soon you will detect a bank error, and you will see how little things add up.

## OTHER WAYS TO SAVE

- Auditing your insurance policies to make sure you are not insuring things that do not exist.
- Negotiating the price of heating oil.
- Reviewing your charges.
- Taking advantage of services that offer free shipping, like Amazon Prime.
- Paying attention to your monthly automatic debits.

It's easy to lose track of money when it's all a bunch of bleeps and bloops on a hard drive somewhere in California—but electronic money still spends the same, and I hope that one or more of these tips will help you recapture some of it!

The good news is that once a year you have the perfect opportunity to review your spending habits and devise a spending plan—“tax time.”

The next time you find yourself gathering and tallying your tax documents at the kitchen table—of course with all the

accoutrements like your accounting calculator, brass lamp with a green shade, and a stock ticker in the background—stop and really look at your receipts for the year for one hot minute. If you kept good records you would be able to see the various things you splurged on. You can take this knowledge and trim the fat this year.

Besides pleasing your accountant, detailed record-keeping also makes it easy to come up with the central theme of financial literacy: budgeting. And the overarching theme of your budget should be savings. An ample pool of cash standing by can mean the difference between surviving a life-changing event and persevering through it.

Another important point is that a spending plan is only as useful as the information you put in it (garbage in, garbage out). When you create a household budget, make sure to include your discretionary items, as well. Not only will they help you set limits, but they will help you establish goals.

Part of being financially literate is knowing when you are in over your head. And we would all be in over our heads if we tried to do our own taxes. I remember a friend telling me he was doing his own taxes...and he paid thousands more this year than he did with the help of an accountant the previous year, and his income had actually decreased.

Accountants are not the only financial professionals available to save you when you are in over your head. People like attorneys, Certified Divorce Financial Analysts, Certified Financial Planners, bookkeepers and daily money managers can be excellent resources—and, in the event your refund is dependent on some sort of writ or statement or schedule, they can be real lifesavers.

Not everybody is a detail-oriented paper person. Some

people are artists. (I am not—I can't even draw a stick figure!) If you always find yourself scrambling, trying to get things together and spending hours trying to understand what is tax deductible, it doesn't mean you are financially illiterate. The truly financially literate person recognizes that delegating tax preparation to an accountant is the opposite of penny wise and pound foolish.

Most people wouldn't dare attempt fixing plumbing problems without the help of a plumber. It is simply too important. The same is true when it comes to categorizing your expenses, preparing your will, or filing your taxes. The good news is that there are professionals available to look out for your interests.

A fiduciary is a person who holds a legal or ethical relationship of trust with one or more other parties (person or group of persons).

Certified Financial Planners (CFPs) are required to have fiduciary relationships with their clients. That means they are legally obligated to act in the best interest of the people who use their services. Another example of a fiduciary relationship is the relationship I have with my clients as a daily money manager.

**Examples of how I act in the best interest of a typical client include:**

- Reviewing bank accounts to ensure there are no errors.
- Paying close attention to insurance policies.
- Coordinating with family when necessary.
- Acting as a Power of Attorney when needed.

CFPs pick up where my expertise ends; they are most concerned with wealth planning. Since their area is inherently forward-looking, it often makes sense to involve younger generations in the planning process. **CFPs refer to this as generational planning, and it encompasses:**

- Looking at the whole picture over a number of years.
- Anticipating the future tax ramifications of family investments.
- Setting up different instruments like retirement accounts or donor-advised funds.

**An important distinction to note is that, contrary to CFPs, stockbrokers are not fiduciaries.**

A stockbroker's loyalty is not to the consumer, but rather to the company they work for. They are offered inducements to sell products according to their employer's priorities, not yours.

Such a large array of financial professionals may be hard to wrap your head around, so feel free to rely on this checklist:

- **Accountant:** Accountants spearhead the tax planning and strategy of a household.
- **Insurance Broker:** An independent broker (not an agent) can find the best policies from every insurer.
- **Certified Financial Planner:** These professionals are best able to assist with retirement planning and wealth preservation.

- **Attorney:** A qualified attorney (not an app or an online program) is best to draft wills, trust, estate plans, and other important documents.
- **Daily Money Manager:** A professional bookkeeper or daily money manager pays bills, categorizes expenses, organizes file systems, balances the checkbook, and acts as a liaison between the client and the rest of the financial team.

As you can see, there is ample help available to organize your finances and free up your time. I encourage you to consult with friends and family about their experiences and see if you can get some referrals to the professionals they use.

## TALKING TO CHILDREN ABOUT MONEY

**Whenever we talk to our young adult children about money, it's a good idea for us to be careful about what we say and how we say it.**

For starters, don't come off as bossy or tell them what to do—because they may do the opposite just to spite us.

At the same time, adults learn a lot of lessons from our long, long histories of bad financial decisions, so it's only natural that we will want to share our wisdom with our children, especially if we are seeing them make basic financial mistakes, like:

- Lending money to friends
- Overspending

- Mixing business with pleasure
- Making bad credit decisions

Later on I will talk about how to communicate with your elderly parents, and I think some of the same rules apply. For instance, instead of telling them they are making a mistake, talk about a friend that you have who was once in a similar situation.

**Another great strategy is to use “I” statements:**

- I notice that you’re very generous, and that’s something I really love about you.
- I remember your father went into business with a friend, and it didn’t end well.
- I’m so excited that you got your first credit card. You can increase your credit score if you pay it in full every month.

It is our responsibility to teach our kids how to be financially responsible adults, because it’s hard for them to live on their own these days—unless you want them coming home after college!

# CHAPTER *Three*

## WHAT'S ACCOUNTING GOT TO DO WITH IT?

People use their business experience to inform their decisions in all areas of their lives, but none more so than running a household. And like any good business with a good bookkeeper, families benefit enormously from using accounting software.

### **Accounting software makes it easy to:**

- Track your expenses in greater detail
- Record multiple streams of income
- Keep track of school and extracurricular expenses
- Manage your credit cards, debit cards and bank accounts

The most popular accounting programs for home use are Quicken and Mint. In addition to many other features, people fall in love with Quicken because it will never forget a transaction. For example, I worked with a family that was looking to hire a new landscaping company, and wanted to compare bids against what they spent last year. Using their accounting software, they pulled up all the relevant details they needed in order to make their comparisons.

**Having all of your data ready to go as soon as tax season opens is perhaps the biggest reward for keeping your finances organized with software.** Instead of panic or despair, you will be able to cheerfully comply when your accountant asks for figures on your:

- Charitable contributions
- Deductible medical expenses
- Property taxes
- Estimated tax payments
- Tax refunds
- Insurance premiums

Now is the perfect time to start.

After you meet with your accountant and estate attorney, your next move should be to meet with an insurance broker. I strongly encourage that everyone take a moment to think about long-term care insurance coverage—and how it works when life throws you a curve ball.

Grammar slam: If you are like me (surrounded by annoying grammar types), than u have asked urself many questies about

insurance—especially whether insurance insures you are financially covered or if it ensures your are financially covered.

The answer is *ensures*. Insure is still a word, though. When an insurance company insures its policyholders, it ensures their policies are in effect.

The first thing you can do is to make sure you're with a good independent broker. **Many people do not know the difference between an insurance agent and an insurance broker, so I will break it down.**

- **Agent:** Works directly for one insurance company.
- **Independent Broker:** Sells insurance from more than one company.

If you're with an agency, verify that you're receiving the best rates possible. If you're with a broker, ask him or her to shop around for a better deal than you are currently getting.

Long-term care insurance is something that everybody, regardless of age or financial situation, should look into. It kicks in when the policyholder can no longer perform the six daily activities of life, which are:

- Eating
- Bathing
- Dressing
- Toileting
- Transferring (walking), and
- Continence

When choosing a long-term care policy, make sure to select one with an inflation or cost-of-living clause included, even if the premiums are higher. I have a client who chose a less-costly plan that did not include annual cost-of-living adjustments. While she is fortunate to have financial security, or any kind of long-term care insurance at all, I can easily see how her golden years would be a lot more comfortable if she had opted to pay a higher premium for better insurance.

Long-term care insurance and advanced directives may seem barely relevant to people who are young and vibrant ... or at least vibrant. But if you're getting married, having a baby, or going through any other life changes, there's no reason to leave it up to chance—and there's so much to lose if life catches you uncovered.

“How you manage your money is a direct reflection of your beliefs about yourself. Getting better at managing your money is an act of self-worth. This indispensable manual shows you how to do just that by helping you get a handle on your daily financial flow. Read it. You're worth it.”

- **FABIENNE FREDRICKSON**, founder of Boldheart.com

## EVERYONE NEEDS MONEY. BUT NOT EVERYONE **KNOWS** MONEY.

How should you record—and write off—your charitable giving? What can you do to protect yourself from tax and credit card fraud? What records do you need to keep during and after a divorce? What does “financial literacy” actually mean?

**If you don't know the answers to these questions, you're not alone. That's why you need the wisdom of an experienced Financial Concierge!**

In *How to Be Smart, Successful, & Organized with Your Money*, Judith Heft tackles some of the most common everyday financial questions, and offers easy-to-follow solutions so you can streamline your financial life, stress less, and enjoy more!

Inside this book, you'll learn simple strategies to manage your money in areas like:

- Taxes & accounting
- Wills & legacies
- Elder care
- Spending plans & more!
- Credit cards
- Record keeping
- Nanny taxes (& other service concerns)

**WHY WAIT FOR A CRISIS TO GET SMART ABOUT YOUR MONEY?**

**Start now, and pave the way for a better financial tomorrow!**



**JUDITH HEFT** is a personal CFO, life advocate, and wellspring of financial wisdom. In the twenty years since Judith Heft & Associates was founded, Judy has seen it all, from elder abuse and identity theft to everyday money mishaps and mismanagement, and as such is dedicated to educating her clients about how to avoid such situations in the future and create a money reality that serves their individual lifestyles. Learn more at [www.JudithHeft.com](http://www.JudithHeft.com).

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& Associates  
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