

Spring Clean Your Finances in 6 Days

God has a powerful way of announcing the change of season from winter to spring. The scent of lilacs fills the air. Warm breezes invite us to throw open our windows. Parks turn pink with blooming azaleas. Tulips and daffodils push their heads out of the unfrozen ground.

Spring is the time of year that women traditionally think about giving their houses a thorough cleaning and making everything fresh and new. Some of us look forward to it, while others loathe the prospect and seek help. The types of spring-cleaning we can embark upon in our day are nearly endless: cleaning computer hard drives, emptying e-mail boxes, decluttering everything and anything in summer homes, parents' homes and garages.

However, I seldom hear anyone talk about spring-cleaning her finances. Few conversations focus on taking inventory of bank accounts; looking over credit card statements and credit reports; assessing investments, including IRA, 401(k), and 403(b) accounts; or reviewing wills, estate plans, beneficiaries, and insurance limits and deductions.

We rarely spend a season of time and energy refreshing assets that are depreciating or marginally appreciating. Some of us would do well this spring to leave the cobwebs in the house up a little while longer and allow the Holy Spirit to help us get a fresh new start financially.

Spring-cleaning our finances is a key to financial success. When the money is not "right," we get out our kneepads and instead of using them to plant tulip bulbs in our gardens, we use them to stay on our knees before God crying out for financial breakthroughs. I learned a long time ago that God

would bless the work of my hands and open up His good treasure to pour out blessings on me if I would be a doer and not just a hearer (see Deut. 28:12; James 1:22).

As a result of applying the Word of God and being a good steward at each financial level, I have been blessed by God with tremendous financial success, and I am now passing the information on through my ministry via The Wealthy Women Club, teleseminars and international conferences.

But it wasn't always that way. I constantly faced financial challenges until I got a revelation from God that He had given me the power to get wealth (see Deut. 8:18). Being in the financial world does not necessarily make one rich. I worked with multimillions of dollars but none of them belonged to me—then.

It was through the Word of God that I found out wealth and riches could be in my house. I came to know that I have the financial blueprint, DNA and gifting from God for financial success.

However, such revelation alone did not change my financial circumstances. My bills still took the little money I had and I was struggling financially.

A SIX-DAY PLAN

I thanked God for the revelation but hungered for more. As I fasted and prayed, God spoke. He said, "If you will be faithful over the very little money that you have now, I will establish you in places of financial authority. In fact, I will allow your faithfulness over very little money to be converted into other currencies and transactions which money cannot buy" (see Luke 19:17). I felt blessed, so not surprisingly I got excited.

Still there was no change. And then it happened for me: a circumstance-changing Scripture, a God-moment when everything that could change, did. A financial opportunity was released

through a rhema word from God.

“Get organized and stay organized because I am a God of order. Anywhere there is disorder, I am limited in My work. Seek first the kingdom of God (which is My way of doing things), and all these things will be added unto you” (see Matt. 6:33).

My response was, “Show me, Lord, what and where.” And He said, “Spring-cleaning.”

Spring-cleaning your finances is mandatory if you want God to move. As women, we have so many household responsibilities that we can become overwhelmed trying to single-handedly serve God; help our husbands, kids and parents, whether young or old; manage homes; and still have the clarity of mind to organize our money.

But spring-cleaning your finances isn't difficult. Here's how to do it in six days.

Day 1: Take inventory of your assets and liabilities. This involves four steps: (1) completing a financial statement; (2) reviewing all assets and confirming current values; (3) listing all liabilities, including debts, obligations, loans and notes; and (4) determining your net worth.

The Word of God tells us to know the state of our flocks (see Prov. 27:23), which means to know the state of our affairs. The first step is to assess your financial condition.

Go to my Web site ([.com/](http://www.marymccormack.com/)) for a free personal financial statement, and then complete it. List all your assets and review their values.

During the last two years, the value of many homes in the U.S. dropped, resulting in equity depreciation. Concurrently, homebuyers in significant numbers obtained no-money-down, interest-only and adjustable-rate mortgages and are now in “upside down” positions. The outstanding mortgage is greater

than the value of the house.

Equity depreciation is made worse by negative amortization—a situation that occurs when the mortgage payment does not cover the interest and principal payment. The unpaid difference is added onto the back of the mortgage, causing the outstanding balance on the mortgage to increase monthly rather than decrease.

Spring-cleaning is a very good time to evaluate the appropriateness of your current mortgage, particularly in light of the following data provided in a Barron's article by Lon Witter:

- 32.6 percent of new mortgages and home-equity loans in 2005 were interest only, up from 0.6 percent in 2000
- 43 percent of first-time home buyers in 2005 put no money down
- 15.2 percent of 2005 buyers owe at least 10 percent more than their home is worth (negative equity)
- 10 percent of all homeowners with mortgages have no equity in their homes (zero equity)
- \$2.7 trillion in loans will adjust to higher rates in 2006 and 2007
- 323,102 properties nationwide entered some stage of foreclosure in the first quarter of 2006, a 72 percent year-over-year increase from the first quarter of 2005 and a 38 percent increase from the previous quarter, according to the RealtyTrac U.S. Foreclosure Market Report.

These statistics are compelling and warrant evaluation to keep more money in your pocket.

Day 2: Review monthly statements and expenses. This includes bank statements, credit card statements, investment reports and recurring bills such as those for utilities and telephone service.

On itemized statements, look for any accounting errors or inappropriate fee charges. Last year alone, credit card companies made \$17.1 billion in penalty fees, according to USA Today. Credit card companies can waive fees as a courtesy for over-the-limit, late and sometimes renewal fees.

Review your credit card interest rates. They are negotiable, particularly if you have a timely payment history in the last 12 months.

In the Bible, James encourages us to ask; you have not because you ask not (see James 4:2). Check competitive rates at .

Day 3: Analyze annual documents. These include your Social Security statements, home/condo/apartment insurance policies, health and disability insurance coverage, life insurance policies, credit report and tax returns.

Get your Social Security Report by going to Oftentimes, my clients notice inaccuracies upon receipt of the statement. Waiting until retirement to prove to the Social Security Administration that you actually earned income is a formidable task. Verifiable income statements such as W-2s, 1099s and old tax returns aren't always easy to locate. Don't leave money on the table.

Insurance policies are important. The Word of God says, "A wise man hides himself while the simple keep going and suffer" (see Prov. 22:3). Though we are to put our trust in God, life, health, disability and other types of insurance allow for transferences of risk.

Their purpose is to share or shift risk to optimize and maximize the use of our capital. Review deductibles, limits, expirations and loans against whole-life

policies settlement clauses to know where you stand.

Shop for competitive policies online. Make sure that beneficiaries are accurate on all policies.

Credit scores are as valuable as money. The median FICO score is 723. Anything less will cost you money in interest rates, mortgages, car loans, insurance policies, loans, business opportunities and today even employment. (FICO is an acronym for the Fair Isaac Corporation, a leading source for calculating and reporting credit scores.) is a great Web site with tools to help you understand how the score is determined and how to clean it up.

If you have an excellent score, maintain it aggressively, check your credit report annually, and guard against identity theft, a rapidly growing crime.

Day 4: Review investment strategies for retirement planning. Consider IRA and Roth IRA contributions, 401(k) and 403(b) contributions, annuities, individually held stocks and bonds, and mutual funds.

From 2007 to 2030, more than 76 million Americans will begin to retire. With little or no savings women are working well into their 70s. As MSNBC news correspondent Janet Shamlian commented, "They simply don't have the means to retire. And because women tend to live longer and earn less, it's a critical issue."

Approximately 96 percent of Americans will be financially dependent on the government, family or charity when they retire, according to a 2003 study by . Women have to be prudent and avoid falling prey to circumstances that would cause them to outlive their money.

Undertake a wholesale evaluation of your investment portfolio, and if you don't have one, begin putting money aside today. Review for proper diversification and asset reallocation to achieve higher total returns. If you can, contribute the maximum in any company-matched, tax-deferred contribution plans; this is free money in your pocket.

Entrepreneurs make tax-deferred IRA contributions no later than April 15. The IRS allows for "catch up" contributions up to \$1,000 above the regular contribution limit if you are 50 years and older.

Always remember to invest in appreciating, not depreciating, assets.

Day 5: Estate planning review (every three years).

Determine ownership or incidence of ownership for everything in your estate. Also take the following steps:

- Review your will
- Review beneficiaries
- Determine patient advocacy. This is someone who is legally responsible to expedite a patient's wishes regarding medical treatment in the event the patient cannot make his or her decisions. The patient releases access to financial assets and medical records. The legal document is called a Durable Power of Attorney.
- Designate guardians and custodians. Guardianship involves the duty and responsibility for care. Custody deals with the right to make legal decisions for the individual. For minors children, under 18, guardianship and custody are accomplished through a legal will. Also, guardianship or limited guardianship may be obtained over an adult who is deemed incompetent.
- Re-examine trust agreements.

As a financial coach, I have known countless believers

who thought they owned an asset but didn't—and who discovered that another person they thought might own it didn't own it either. Ownership is evidenced by titles, deeds, or other legal documents and not by word-of-mouth.

Be sure to verify beneficiaries. I could tell you numerous horror stories of situations that occurred “after Mama went to be with Jesus.”

Also, remember to address the issue of medical care and custody of aging parents and to protect your underage children with a legal will that establishes guardianship.

Some people think estate planning is only for the rich or that the benefits of an estate are to be realized only after death. Not so! We have an opportunity to give during our lifetimes. My husband and I have been blessed to give hundreds of thousands of dollars into the kingdom, and we are believing that God will allow us to make more and give more while we are still alive!

Day 6: Evaluate your financial advisers. These would include personal financial planners, legal counselors, stockbrokers or money managers, loan and mortgage bankers, coaches and mentors, and insurance agents.

The Bible tells us that “plans fail for lack of counsel, but with many advisers, they succeed” (Prov. 15:22, NIV). Who's on your team of financial advisers?

Today you can perform extensive research on the Internet with subscriptions to financial blogs, podcasts and Web sites. Read financial newspapers, books and magazines. Take the initiative in educating yourself but get good godly counsel as well.

Jesus once told a story about a woman who had 10 silver

coins and loses one. Then He asked His listeners: “‘Does she not light a lamp, sweep the house, and search carefully until she finds it? And when she finds it, she calls her friends and neighbors together and says, “Rejoice with me; I have found my lost coin”‘” (Luke 15:8-9).

Women of God, it’s time for you to start searching for the “lost coins” in your budget that you can use to improve your financial situation. Happy spring-cleaning!

Read a companion devotional.

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