

Hiring a Daily Money Manager Could Be One of The Best Investment Decisions For Busy Professionals

Busy professionals today find that they have way more to do than they can possibly get to in a given day/week/month. Life and work have become more demanding, more complex and more time consuming. As your role at work continues to expand and require more of your time, your personal finances often get overlooked, delayed or done hastily and possibly incorrectly; or maybe you do get to them but at the expense of a little more time for yourself, your work or your family. If you're in a situation where you have more on your plate than you can effectively accomplish and your personal finances are not getting the attention they require, consider adding a Daily Money Manager (DMM) to your team. They can get your personal finances organized, systematized and put on autopilot, and then be your co-pilot going forward.

Professionals Add Value

We all use professionals for areas of our business and personal life that require expertise – we hire plumbers, interior designers, lawyers, CPAs, financial advisors. Getting our personal finances in order and humming seamlessly should be no different. And like any professional we employ in our work or home life, we don't turn everything over to them without some oversight and input. Rather they do the heavy lifting, come up with the plan based on their experience and training, present the options and then, with input from us, they execute the plan (or at least explain and stand behind what they've done!). A DMM is no different. They can work alongside your other professional service providers – particularly a CPA, financial advisor and attorney – to make sure your personal finances are integrated and consistent with your legal, investment and tax objectives.

What Does a DMM Do?

DMMs are professional and experienced at setting up systems and protocols to keep a busy professional's personal finances running smoothly, address any unusual or one-off needs and know how to resolve unexpected challenges because they've either seen them before or can consult their network of DMMs who may have experience with that particular situation. Specifically, DMMs will assist busy professionals with bill paying (setting up automated payment streams); moving money across accounts; creating, reviewing and monitoring a budget; monitoring investment accounts including college education and retirement accounts; negotiating with creditors and vendors (think cable, internet, cell-phone contracts); organizing financial documents (think bank statements, investment statements, FSA receipts); aggregating tax documents; mail management; password systems and more.

DMMs play a different role than financial advisors or CPAs – they work in tandem with them. And in contrast with financial advisors and CPAs, DMMs are specifically geared to this role so they are more efficient and cost effective. Additionally, the separation of duties and roles among financial advisors, CPAs and DMMs can prevent conflict of interest, provides an independent set of eyes, and effectively provides oversight across advisors to prevent likelihood of error or fraud. A good DMM can facilitate active dialogue and communication across professionals.

Return on Investment

Any good business owner considers their Return on Investment or ROI before investing their capital into a project. They consider the amount of capital required, the expected return, the length of time until that return is realized, and the alternative uses for that capital. In this framework, spending money on a Daily Money Manager (typically in the \$100-\$150/hour range) will provide a high ROI in a short amount of time. Adding the services of a DMM into the management suite will provide the many benefits outlined above, and perhaps the most valuable among them will be extra time for the busy professional to focus on running her business. The tasks around personal finance that have grown in scope for all of us can be particularly thorny for busy professionals whose expertise, value, and let's admit it, interest, lie elsewhere. The peace of mind knowing a professional is attending to your personal finances, along with the newly generated time to focus on your own business (or adding free time to your day!) is invaluable. Well, actually you probably can tabulate the value – if you generate 3-5 more free hours per week, and that increased free time allows you to improve your business, clear your head to be more present in your personal life, or just catch up on sleep to be more productive in your day, the ~\$125 per hour you've paid to a DMM will come back to you in spades.

Where To Find a Daily Money Manager?

The American Association of Daily Money Managers, the national governing body of DMMS, has a directory where you can search by geographic region (though technology enables you to hire a DMM who is not physically located in your area). The best way to find a good DMM is word of mouth – ask your CPA, your financial advisory, your estate attorney. DMMs earn their reputation and referrals by developing a strong network of professionals, providing quality services to clients and continually developing their experience and skill set. Reach out to me personally to see if I can help.

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