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## **Gaining Maximum Leverage With Top Financial Tools**

**Dan Eggertsen:** I'd like to welcome everyone to the call. This is Dan Eggertsen. I'm here with my dad, Karl Eggertsen. We've been getting a lot of questions on financial tools that you can use in your investing pursuits online. I just wanted to take the top three questions and ask my dad, the expert here on the top three questions we see over and over again. So how you doing today, Dad?

**Karl Eggertsen:** I'm doing real good Dan.

**Dan Eggertsen:** Well excellent. Are you ready to dig into these questions and get them answered for all the folks out there?

**Karl Eggertsen:** Yes I am. I'm ready to go.

**Dan Eggertsen:** Okay. Well let's start off with the first one. What website do you recommend that can help me plan my financial future and track my accounts on an ongoing basis so I can see where I am at all times?

**Karl Eggertsen:** I think, looking at cost and looking at benefit, I think that MSN Money. It's a free site. MSNMoney.com, I think it's MoneyCentral.MSN.com. But if you just look up MSNMoney.com you'll go right to it. It's in the top tier of every survey that's taken of the best on the web surveys and it's free. That's the other reason I'm going to be talking about it here primarily.

Since we're looking at financial, which covers a broad spectrum of different things, we're talking about personal finance, we're talking about financial planning as well as investing, budgeting, banking, and all those kind of things. It is one of the tops, top best and going through it and being free, it has a lot of capability. It has all the tools and calculators, basic tools and calculators and provides educational how-to and evaluation information on categories like banking, savings and debt, family and college, taxes, investing, retirement, insurance. It pretty much covers the gamut.

It has a lot of how-to guides as well as calculators, tools that you can actually throw in numbers and try different scenarios and try different things and help give you an idea about how to solve any issues and help you in your planning and also evaluating how you're doing. It also has a

very advanced portfolio tracking tool. For a free site it has a highly capable – it's customizable and you can track all types of investments as well as your portfolios.

It has numerous performance reports that again, you can tailor to your needs. So it's very powerful in that department also. It has, for heavy in research regarding, it has in depth research of, when it comes to investing it has 12,500 mutual funds, hundreds of exchange traded funds, and 8,000 stocks and with all the tools you need to evaluate them and screen them and identify the ones you want to do. It has a very powerful screening tool that can screen up using as many as 70 different criteria in evaluating. You could use as many or as few as you want but what you're looking for you could put on the screen and identify the investments you have some interest in. So that is tools and calculators are expensive.

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**Dan Eggertsen:** What a fantastic tool. All right thank you. Let's move on to number two.

**Karl Eggertsen:** Okay.

**Dan Eggertsen:** Now we're going to go into more of a list. So that was which one do you recommend for most people? Now question two is can you give me a list of financial tools you recommend for organizing your finances and planning your future? So let's expand on that a little bit and add some more in there that people can use; both paid and free.

**Karl Eggertsen:** Okay. The MSN.com, I'm going to start with that since we've been talking about that. It has tools that cover the gamut of the basic personal finance categories that I just listed in the first question. Home affordability – these are calculators and tools – evaluate your debt, how to maybe, whether it would be worthwhile to consolidate your debts. Spending evaluator, where your money is going.

College and funding, how to evaluate and plan and come up with ideas for how to fund college. Tax estimator, what your tax is going to be and ideas about how to reduce it once you've estimated what it would be, what are ways that you could reduce it and they make recommendations. Asset allocator when it comes to your investment portfolio.

Based on your situation in life, asset allocator will help you determine of the basic assets, from bonds to stocks to international funds and so on, and real estate, it helps you allocate based on the criteria and so on that you put into the calculator. It has a portfolio manager tool and a variety of screens, retirement calculators that include evaluating your expenses in retirement as well as income. Insurance, coming up with ideas on what is enough insurance for you; what your needs are insurance wise for cars, auto, real estate.

**Dan Eggertsen:** Right. Excellent.

**Karl Eggertsen:** Well I say cars, auto, you know real estate, automobile that type of thing as well as life insurance. Okay?

**Dan Eggertsen:** Oh wow.

**Karl Eggertsen:** Okay? So those would be – I like to mention – okay and then there's as far as paid, there's Morningstar which is a very powerful - with some tools are very unique that you can find no place else.

**Dan Eggertsen:** So you can't find them in Money either.

**Karl Eggertsen:** Well some – Morningstar will for, I'm sure that they work a deal with other websites to use some of the tools that are proprietary for them but they pay for them. But Morningstar, on its site is focused very strongly on investment research, tracking, and evaluation. Some of its very powerful tools are an asset allocator.

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You can plan for retirement, you can plan for college using it, you can plan for any goal that you have in life using its asset allocator. Then it has, from there which provides a general categories of investments; how you should weight them like stocks and bonds and cash and international investments, how you should weight them based on your situation and information you throw into the calculator. You can try different scenarios to see what it does for you.

Then there's a portfolio allocator that will take those allocations, the weighting of these different basic assets and provide recommendations on specific investments, specific stocks, specific mutual funds and so on that should fill those categories that you came up in the asset allocator tool. Then the final, the third tool would be the portfolio manager where you can both track and evaluate, ongoing your portfolio's performance over time and enables you to make whatever changes you need to stay on track as things change in your portfolio and so on.

So it has very powerful screens for funds, for stocks, for exchange traded funds. It's a great tool. It costs about \$200 a year for all of this stuff. I pay it. I've been with them for many years and I find it's a one-stop shop for investing whereas MSNMoney.com is more of a one-stop for personal finance, all the other aspects of money management and the categories of managing money in your life. MSN.com is more comprehensive that way is what I've found.

**Dan Eggertsen:** Okay.

**Karl Eggertsen:** Okay? There're two tools for retirement planning that are very focused but they're very good. This is for estimating and planning for what your retirement income would be - what you believe that you need in retirement as well as what is possible based on your savings rate and how you're investing.

**Dan Eggertsen:** Right.

**Karl Eggertsen:** One is the T Rowe Price income calculator. TRowePrice.com. Then there's Vanguard.com, the Vanguard income calculator. They both will provide you, based on your savings and investments and over time until you'd be retired, what type of income you could expect to have based upon what you desire and what you need.

Therefore it could tell you what you need to change to meet your goals. Contribute more, invest differently, retire later that kind of thing. So those are very powerful and there're also good retirement calculators on MSN.com and Morningstar but these are very specialized and particularly the T Rowe Price one actually runs the inputs that you give them against a Monte Carlo simulation which runs your retirement plans and contributions and how much you've saved so far and how long until retirement against thousands of scenarios that would represent all the things that could happen in the economy and the market that could **[perturbate]** your portfolio. Then it gives you probabilities that you're going to reach your goals. So Vanguard has other attributes, it does it differently. They use historical averages which could be very good too. But they're both excellent.

**[10:34.4]**

There's one last tool that I wanted to mention very quickly. I mentioned MSN.com being a comprehensive personal finance, almost anything to do with money. MSN.com is pretty darn complete and it's free. Yahoo! Finance. YahooFinance.com, I noticed they say that they have a fee on their site so I looked at it later and I noticed that it has a huge variety of calculators. It probably has a more wide variety of calculators and tools than I saw for personal finance compared to MSN.com.

In particular I noticed that they get into just a myriad of questions they answer with a variety of calculators and areas that I really noticed a lot of strength was in the budgeting, loans, and real estate. Those areas seem to be a little bit stronger when it comes to a variety of calculators to answer specific questions about those areas. But they have a myriad of calculators and each one of the calculators on the website is, you know you reference by clicking on a question that you have in these categories.

For example, what is my expected return on my real estate, my real property investment? They will actually tell you, based on the numbers that you put in what your return is or what the return you can expect to get if you're planning on buying a property. They're complimentary. MSN.com and Yahoo! Finance are complimentary is what I've found. I think there's varying degrees of strength depending on the category, the personal finance category you're talking about.

**Dan Eggertsen:** Right. Right. Yeah.

**Karl Eggertsen:** I don't think any of them have quite the investing side of things as Morningstar does. But I gave you a number of calculators and a number of websites to go to. They all have excellent capabilities so I think that answers that.

**Dan Eggertsen:** All right. Excellent. Great job. Then the third and final question is, what financial tools do you personally use to organize your finances and investments? So real quick just run through the ones that you use and what you use them for.

**Karl Eggertsen:** Okay I use Morningstar.com. I have my portfolios listed there so I can track how they're doing, their performance. If I need to do any rebalancing I can evaluate how my portfolios are doing performance wise as well as what's happening inside the portfolios. For example, if some of the investments are doing much better than others and investments all have their days. Some of them are doing good for some period of time and then they don't do so well, then others do well.

So that gets into the asset allocation or balancing your portfolio. So I periodically, if I see that it becoming too unbalanced. Like if it's getting too aggressive with too many stocks, too much equity and not enough fixed income like bonds and so on to keep the portfolio from being too volatile and too risky, it tells me I need to do some rebalancing. So I use Morningstar to track performance, to track the asset allocation of my portfolio. So that's kind of my one-stop place to – I also used it to develop my portfolios to begin with; it was a tool to help me do that.

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That's what I use for investing. For retirement planning and so on, I will often go to TRowePrice.com or Vanguard.com and use their retirement calculator to track base of where I am in my portfolio; how I'm doing and how I'm projected to be doing years from now as far as income and total net worth within the portfolios. For personal finance stuff, I will use either MSN.com or Yahoo! As long as they're not costing me anything. MSN.com I know is completely free.

**Dan Eggertsen:** Right.

**Karl Eggertsen:** I haven't really run into anything yet that costs anything and Yahoo.com is advertised as a certain amount of dollars per year but going into their calculators and using their calculators didn't have any issues. I was able to use them and get answers. So both of those are excellent when you get into personal finance; every day kind of money management.

**Dan Eggertsen:** Great.

**Karl Eggertsen:** Anyway that kind of covers what I use; primarily Morningstar. The others I use them quite a bit less but I do go to them. Okay and also for news. I look for the news on MSN.com and Yahoo! Finance because they have some very good extensive news coverage on what's happening in the markets and projections in forecast and so on.

One thing I'd like to say on all of these calculators is they're great aids to help anybody, they're easy to use to help anybody evaluate money issues and questions and help you get focused and help you understand what are the important things regarding your financial life that you need to pay attention to and areas you need to take action on and improve on.

So they're great to get you focused in learning what's important and what are the things that you can do to take action and correct things and improve what you're doing? They're educational and informative but don't take the bottom line answers as the final answer before you take final action on important financial decisions in your life.

**Dan Eggertsen:** Right.

**Karl Eggertsen:** They're great tools but they should never be construed as being, "Okay, this is exactly what I expect is going to happen so these are the exact things I'm going to do." I think at that point you need to use your own judgment and maybe talk to a professional advisor, particularly on the most important financial decisions that you make on your life.

You always want to run things by the pros and if you don't agree with a pro or you don't think they're considering everything, you can refer back to what you learned from using some of these calculators, these tools and throw out some things and maybe probe the professional and see, "Well what do you think about if I do this or do that?"

**[17:25.8]**

So I would use a good professional. Somebody that's recommended to you that's certified, credible, has integrity, somebody that maybe a good friend that you know would give you, has had some good experience with somebody but I would not try to do anything just based on the calculators. Talk to some professionals and use your own best judgment with these things only as supporting material to help you do that.

**Dan Eggertsen:** All right, Dad. Well very good. I'd like to thank everyone for their time for being on the call and thank you for your time, Dad. It's been a sincere pleasure and you gave out some great information that will really help people today.

**Karl Eggertsen:** Okay.

**Dan Eggertsen:** All right? We'll talk to you again soon Dad.

**Karl Eggertsen:** Okay. Okay Dan.

**Dan Eggertsen:** Bye everyone. All right Dad. Good. So...

**[18:12.4]**