

JUNE 8, 2009

The Best Online Tools for Personal Finance

Consumers are paying closer attention to what they buy, how much they save, and where they invest. These resources can be a huge help. Even better, most of them are free.

By [SHELLY BANJO](#)



It's tougher than ever to plan your finances. But it's also easier than ever to find help on the cheap.

There are a host of Web sites that help you lay out a budget and track your spending and investments. Some let you set up a plan for a long-term goal, like college or retirement, and others offer advice about where to put your money. And many of these services are free of charge.

To help you wade through all the choices, we scoured the Web to find some of the best online tools and got recommendations from personal-finance pros. Here's a look at some of the best sites we turned up, in a range of categories.

1. Budgeting Your Money

The first and perhaps most effective step to managing your money online is signing up for basic budgeting sites such as [Mint.com](#), from Mint Software Inc. of Mountain View, Calif., [Wesabe.com](#), from San Francisco-based Wesabe Inc., or [Geezeo.com](#), from Geezeo of Hartford, Conn.

These free sites offer tools to help you keep track of what you're spending, how much you're saving and how your investments are performing. You create an account, and the sites automatically aggregate all of your online financial data, letting you keep track of credit cards, home loans and bank and brokerage accounts all in one place.

To help you avoid bank or credit-card fees, these sites can alert you via email or text message when a bank account is low or when a credit card is approaching its limit. And the sites can slice and dice the information to help you budget better. For instance, they will automatically show you how much you spend in any given category, such as restaurants or gas stations, and can compare your spending habits with those of other users, so you can identify areas where you might need to cut back.

Some sites, such as Geezeo and Wesabe, also offer a social-networking element that allows users to share tips and advice on a range of money-management issues.

One big caveat: Many of these sites need usernames and passwords for your various online financial accounts to get access to your data, says Jim Bruene, founder of online-banking research company Online Financial Innovations and Finovate, a conference series showcasing online financial tools and companies.

Some sites, like Wesabe, allow you to download statements from your bank or credit-card company and then upload them manually. This can be more time-consuming but a comfort to those who don't want to give up their passwords, Mr. Bruene says.

There are other caveats to consider when using the sites. For instance, Mint.com showcases advertisements of financial-services companies and shows ads based on your activity on the site. (If you spend a lot on restaurants and gas, for instance, the site may suggest a reward card tied to those kinds of purchases.) Critics say this may create a conflict of interest, since the site is ostensibly trying to help you save money.

2. Creating a Financial Plan

Moving beyond simple budgeting, a number of Web sites offer tools to help users keep track of and plan for their complete financial life. Experts say this can be a good starting place for jobs such as assessing your retirement goals, and figuring out how to structure your investments, spending and saving to achieve them.

But the pros caution investors to consider carefully before accepting product suggestions and investment advice. "There will always be a group of hard-core self-directed investors who will try to do it all themselves, but we see most people using these sites as a warm-up tool to financial planning. If they want to seek something more rigorous, they will go to a financial planner," says David Schehr, a research director with Gartner Inc.'s Industry Advisory Services.

With that in mind, here are some popular sites.

[SimpliFi.net](https://www.simplifi.net), from SimpliFi LLC in Winston-Salem, N.C., uses a virtual financial adviser named Sophie to guide you through a planning process based on financial goals, such as saving for retirement or reducing debt. The site assesses how much you should spend and save to reach your particular goal and tells you how likely you are to achieve it with a “Goal Point Average” ranging from A+ to F. (You don’t give the site any of your financial-account information, but you do have to input approximate balances.)

The site can provide details on how much you need to save over a certain period to reach your goals and offer recommendations on types of investments to consider. The site is registered with the Securities and Exchange Commission, which offers investors a measure of protection: Among other things, the site must comply with SEC rules for registered investment advisers and is subject to examination by SEC staff.

Another site, [Planwithvoyant.com](https://www.planwithvoyant.com), from Voyant Inc. of Austin, Texas, helps investors forecast the impact of unforeseen events. Step-by-step wizards guide you through the initial preparation of a financial plan, such as identifying your goals and entering income information and expenses. Then charts and graphs show your current financial condition and allow you to test the financial effect of what-if scenarios, such as an unexpected pregnancy or an early retirement. You can also run simulations on how to mitigate those risks, say, by adding insurance or altering your investment strategy.

Investors can also try ESPlannerBasic ([Basic.esplanner.com](https://www.basic.esplanner.com)), from Boston-based financial-software company Economic Security Planning Inc., which offers a free plan developed by Boston University economics professor Laurence Kotlikoff.

You enter your current and projected salary, retirement age and savings, among other things. The site calculates your sustainable living standard and allows you to tinker with how much a job change, housing move or retirement-account contribution can raise or lower your living standard.

Then the program recommends annual amounts of discretionary spending, savings and life-insurance holdings. The program incorporates a lot of the nitty-gritty details other programs tend to leave out, such as federal and state taxes and future Social Security benefits. But the process can be time-consuming—it takes up to 30 minutes to fill out all the necessary information. What’s more, the basic version stores your plan for only 24 hours, so every time you want to run the simulation, you must input the numbers.

3. Tracking Investments and Getting Advice

A growing number of investors are flocking to Web sites that allow them to track their portfolios and compare their choices with others in the community, including financial gurus like Warren Buffett and Jim Cramer.

People are looking for truly objective advice, not suggestions from advisers who are making commissions off trades, says Ron Shevlin, a senior analyst at Aite Group LLC, a Boston research-advisory firm that focuses on the financial-services industry.

He points to SocialPicks.com, from FinancialContent Services Inc., a financial-data and business-news company in Foster City, Calif., and New York-based Covestor Inc.'s Covestor.com. These sites allow you to keep track of your own investments and compare your portfolio's performance to that of peers, professional analysts and financial bloggers.

For instance, SocialPicks.com's Blogtracker feature automatically tracks performance of financial bloggers, various Wall Street legends and professional analysts based on blog posts and other online information.

San Francisco-based Cake Financial Corp.'s CakeFinancial.com also allows investors to track investment portfolios but in addition lets them aggregate all of their portfolios in one place, analyze past performance up to 10 years and compare portfolios with other users.

Cake's comparison tools look at your current investments and find similar replacement funds with lower fees and expenses. In addition, the site lets you create a watch list, or list of positions that you're interested in tracking, by performance and the number of Cake users who are buying or selling.

For investors who want more advice, Mr. Shevlin suggests Portfoliomonkey.com. At the site, from San Francisco-based Portfolio Monkey Inc., you enter your portfolio's ticker symbols and number of shares, and the site analyzes your current allocation's expected return and losses, based on analytics evaluating historical volatility and performance.

The site can help you reallocate your portfolio, or offer recommendations for stocks that have a low correlation with your portfolio and high expected returns. You can go through those stocks and see how adding them would affect the portfolio.

--Ms. Banjo is a staff reporter for Dow Jones Newswires. For Complete article go to <http://online.wsj.com/article/SB10001424052970204456604574204093011379788.html>