

Managing Your Money Every Friday

Personal finance software gets even smarter

Money, Quicken make money easier to manage

By Matt Krantz
USA TODAY

Drop your checkbooks. If you don't already use personal finance software, this might be the year to start.

Updated versions of the most popular programs, Microsoft's Money 2001 Deluxe and Intuit's Quicken 2001 Deluxe, are hitting shelves. And they've both ironed out annoyances that have turned off users in the past.

There's no more need to type in cryptic data from your 401(k) statements or charges on your credit card bills. This year, all these things can be downloaded into the software from participating financial institutions.

And both Money and Quicken have strong links with the Internet, allowing them to find and pull data from various online sources including their own Web sites.

As a result, Money and Quicken can grab things like stock quotes, news and mortgage rates from the Internet so you don't have to. Both software programs also will point you to tools on the Web that will help you solve problems the software finds with your finances.

Better yet, Money and Quicken have become more like electronic financial advisers and less just digital checkbook registers. They look for patterns in your spending, income or investments and offer "pop up" suggestions on how to improve your success.

They'll also warn if you're busting your budget and flag you if you are missing a way to cut your taxes, should refinance your mortgage or are close to being late paying a bill.

Don't worry about having all your data locked up on your PC. Both Money and Quicken let you access your financial data from any computer connected to the Web. If you choose, Money will put your data under password protection on Microsoft's Money Central site. Quicken uploads to Quicken.com.

Which one should you buy? Although Quicken has easily outsold Money for years, Money 2001 Deluxe is more polished and intelligent. It turns all your financial information into on-screen statements that tell you in plain English

how your finances and investments stand. It's the better program for most people.

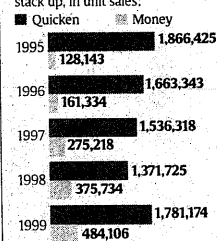
If you're already using Quicken, though, you may not want to switch. Quicken 2001 contains many of the same tools that Money 2001 has, it just takes more clicking to find them.

And Quicken is still the better product for people most interested in tracking their mutual funds and 401(k) accounts.

But do you really need to use personal finance software at all? And if you already use an older version of Money or Quicken, should you upgrade? As you decide, consider these financial problems and how Money 2001 or Quicken 2001 can help sort them out.

Money vs. Quicken

Intuit's Quicken has easily outsold Microsoft's Money. Here's how they stack up, in unit sales:



Source: PC Data By Genevieve Lynn, USA TODAY

You know you could be saving more.

Grabbing that cup of gourmet coffee in the morning seems harmless enough. That is, until you realize it's costing you hundreds of dollars a year and you're essentially drinking your child's first year in college.

Money 2001 can help, with its proactive planning tools that make creating and sticking to a budget more realistic.

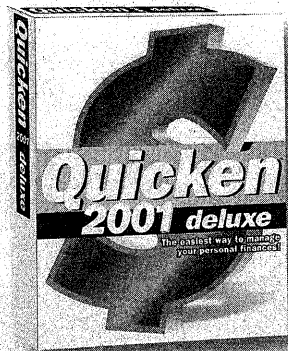
Like Quicken 2001, Money will scan your past spending in different categories such as rent and gasoline. It then crafts a budget that you can customize.

But here's the best part. Once you've crafted a budget, it stands over your shoulder whenever you make a financial move.

Let's say you drop \$80 for a swank dinner. Once you enter or download the transaction, a new "feedback pane" in Money's electronic checkbook register will pop up with a thermometer. The display shows how much of the month's budget for cash withdrawals you've used up.

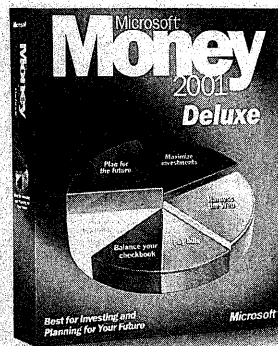
If you've blown your monthly restaurant budget, no worries. Money lets you shift overspending in one category to one you've underspent in, maybe groceries. You could also promise Money you'll spend \$80 less on dining out next month than you've budgeted.

If day-to-day overspending threatens to kill your long-term savings plan, Money warns you right away. Quicken 2001 also has budget and planning fea-



Advantages

- Detailed investment portfolio downloads a wide variety of information on stocks and mutual funds.
- Gives 401(k) advice tailored to specific



Advantages

- Features are linked, making it easy to find them when needed.
- A "feedback pane" in the checkbook register tells you if you've blown your bud-

Unfortunately, Quicken's 401(k) Advisor makes you retype much of the data you've already entered into Quicken. And you don't need Quicken 2001 to use the 401(k) Advisor because it's a feature on Quicken.com.

Even so, Quicken 2001 users will appreciate how the software helps them find the 401(k) Advisor and reminds them to use it.

Money's 401(k) section doesn't do much more than help you enter data from your statement or figure out how to download it from the 401(k) plan manager. It doesn't go as far as Quicken in offering advice.

You worry your mutual fund holdings aren't diverse enough.

It's a legitimate concern. Many investors, especially those who hold several "balanced" funds, don't really know how their investments are spread. That's because these funds, although called balanced, may have large positions in a certain type of security.

For instance, a balanced fund you own may have large stakes in bonds. Thus, you may be invested more conservatively than you think or want.

Quicken 2001 can help. It downloads the "asset classes" of all your stocks, as does Money, and groups them by small, medium and large capitalization.

Quicken takes it a step further by also downloading the asset classes of all securities within the mutual fund class. It converts that information into a