



## **Personal Finance Technology Trends For 2012**

Hello and here's wishing all of you the best of health, wealth, peace of mind and success with your financial goals in 2012.

I thought I'd start the year off with some trends – especially in technology, that might help you better meet your personal financial goals, because there are a host of personal finance services and applications, or apps as they're called, that are going to change the way we Americans invest, bank, track our finances, shop, get coupons and so on.

Some of these apps use the web, but increasingly, many are available on mobile devices because more than a third of all American adults now carry "smartphones" with amazing amounts of display using processors that are as powerful as the ones in your laptop.

In fact, if you're like many of my clients who've been holding out against the invasion of technology you might want to reconsider your decision in 2012. This might just be the year to allow the benefits of these innovations to help you gain better control over your finances.

Maybe now's just the time to stop using a pen to write checks, paper to track your expenses, and scissors to clip coupons... to let technology streamline this process for you a little, and in so doing, to add to your savings and bottom line. Because, let's face it... your best coupon deals or hotel and airfare discounts no longer come as inserts or advertisements in your newspaper but go to those who use the Internet.

So here are a few ideas for you to reflect on and consider opening yourself up to... and while I encourage you to listen to these with an open mind, adopt only those that you are 100% comfortable with, knowing full well that you could always revert to paper and pen if this turns out to not be your cup of tea... so here are some new ways to think:

1. Think “Mobile Money”. How does that sound? Well, here’s the lowdown. With technology where it’s at today, you can now wave your smartphone in front of an intelligent device to make all sorts of payments... and this trend appears to be really catching on because it helps retailers, mass transit operators and others sell more while cutting down costs. With mobile money, your smartphone is securely linked to your bank or credit card account and saves you the hassle of carrying a card, swiping it, getting a bill, signing it, and so on—and it saves the seller money too. Moreover, I suspect merchants and service providers, such as [Google Wallet](#), are going to make this more attractive by offering promotions and discounts to folks that adopt this mobile payment technology, much like they offered incentives in the early days of the Internet.
2. Think: Person to Person Payments. Remember how, when you’re at a restaurant with friends and it’s time to split the bill, you either ask for separate bills or fumble for cash to pay your share of the bill. Well, how about just clicking your smartphones against each other and you’re done? Companies like American Express, Mastercard, Visa and PayPal now offer a host of services that let you easily transfer money between friends using verified bank or credit card accounts. This makes sending money across the street, neighborhood or country faster, easier and less expensive... and remember, you are ALWAYS the bearer of any expense your bank or credit card company incurs in all the transactions you make... so if this technology reduces costs, chances are, some of these savings will flow through to you too.
3. Think: Money Management. There are new web sites that have also turned into apps on your smart phone, such as [Manilla.com](#) which I mentioned a few weeks ago in my interview with Terry Savage, and [Pageonce](#) which help you manage bills, payments, subscriptions, coupons and more... for free! So you never have to worry about a missed payment, late fees, trips to the post office, stamps, missed deals where you could’ve used a coupon to save big, and so on. What’s more, many of these services genuinely have an environmentally friendly agenda and want to help replace paper clutter with electronic account statements. Other, more specialized sites such as [savvymoney.com](#) help customers manage their debt – credit card payments, mortgages, car loans, and automatically give you tips on when to refinance or make extra payments to reduce your overall interest expenses, and so on. Others like [betterment.com](#) are designed to simplify investing and finally there is [mint.com](#) , whose CEO I interviewed about a year ago which was the first site like this out of the gate. And it’s a good site to bring all of your financial accounts together.

So, with an open mind, check them out and sign up for the ones that make sense to you. And remember, you can always opt out if you don't like 'em.

I will list all of these sites at my website: [onthemoneyradio.org](http://onthemoneyradio.org) or if you email me at [info@onthemoneyradio.org](mailto:info@onthemoneyradio.org), we'll send the list to you.

Now, before I go further, I want to stress that I am not recommending these specific sites or validating what they offer but merely citing examples of technology advances in personal finance that are worth exploring further.

4. Think: Personalized Deals. We all heard about the promise of personalization, and while this has happened to some extent with the Internet, it hadn't quite panned out in the personal finance space... until now. In fact, to understand personalization, consider trying this experiment. Take your laptop over to a friend's house and type in the same search phrase – say, “top 10 deals in Miami” in google.com or any other search engine – your friend on his computer and you on your laptop using your friend's Internet connection while sitting right next to him... I am almost 100% certain that your search results will differ because search engines personalize search results to your browsing history. The good news is that with smartphones and location-based services, stores can now know when you walk into them, what your purchase history and profiles is, and entice you with special offers just for you – personalized discounts and on-the-spot deals to customers willing to opt into these programs. And frankly, for the most part, you have little personal information to lose that you haven't already lost by simply using the Internet, Facebook, email, search engines or smartphones at home!

I know it sounds a little scary—like an Orwellian universe, but it's not as bad as all that. YOU have the right to opt-in or opt-out of any of these services.

5. And Finally, Think: Social commerce. The Internet spawns strange terms like this one... but what the heck! Apps now let you borrow or even legally take money from individuals across the world – who might want to give you a loan where they believe in you more than a bank, help you out in a crisis, lend you money to do up a kitchen or bathroom, or simply invest in a brilliant idea – private individuals reaching out to each other and opening their wallets in what's called social commerce without borders. Check out sites like [weemba.com](http://weemba.com) or [kickstarter.com](http://kickstarter.com) if you have an idea you think others may want to fund. It's actually pretty cool to think that banks will no longer control what you can and cannot do, financially. I love the free markets.

But don't think large banks and corporations aren't watching all of this very closely and actively stepping in where they sense success – so in 2012 you will likely see a lot more happening in the space of personal finance technology... and as we kick off the new year, I urge you to try and “get with it” if you like, and explore ways of saving time and money by using technology to your advantage.