



Are You Broke and Disorganized?

The Clutter-Cash Connection

Disorganization and our bank account balances go hand in hand. Some of the ways are obvious, such as when we misplace bills and accrue late fees or save a box of items for a yard sale that we never hold. Other ways are not as obvious; for example, when we toss away perfectly good shoeboxes and then go out and buy boxes to use as drawer organizers, or we buy another jar of paprika because the original one is lost in the pantry. We've all done it, but with a little organization in our homes and lives, we can do it less often, which will save us more money.

During my years of working with multitudes of clients and giving hundreds of lectures nationwide, I've identified *four* key areas where clutter and cash connect. Which ones can you relate to the most?

1. We can't find what we own, so we simply buy more.

As I said, we've all done it. Admit it, what's the last thing you bought, knowing full well that you already had one but just couldn't put your finger on where it was? For me, it was a gift bag. I set aside a gift bag for an upcoming birthday, and I put it in such a special place that I could not find it when I needed it. So I shelled out another four bucks to buy a new one. Guess when I found the one I already had? Yep, when I walked in from the party! There it was, sitting on top of the entertainment center, right where I'd safely tucked it away. I used to think, Oh, it's only four dollars. Now I think, Oh, my gosh, it's four dollars!

2. We hold on to items of sellable value. The average home has about twenty-five items of value going to waste that could be sold for a tidy profit. For example:

- A little black dress that was never worn, with the tags still on it, shoved into the back of a closet = \$140
- A DVD movie left out on the floor, stepped on, and cracked in two = \$14
- A learn-to-knit box kit, complete with yarn and needles, never opened = \$14
- A value pack of printer ink, and you no longer own the printer = \$50
- A newly released book from a hot new author, never read = \$24
- A takeout container of leftover Chinese food, or at least I think it was Chinese food = \$10

Okay, so maybe the leftover Chinese is not sellable, but you get the idea. From this sample list, the total wasted in one month alone was \$252. Now, multiply that by twelve

months and you get a whopping \$3,024! Sure, half-and-half organizing worked for my other clients, but can it work for you? Absolutely! In fact, you may save even *more* per year. We'll get to this in detail later on, but I promise you that the solutions are supersimple and budget friendly.

3. **We don't repurpose what we already own, we simply buy new.** Instead of discarding items that are still good, try to find alternative uses for them. Think about this:

- Buy a storage unit for the garage. **\$400**
Use an old dresser. **Free**
- Buy an art-supply caddy. **\$20**
Use a dish drying rack. **Free**
- Buy a plastic shopping bag holder. **\$10**
Use a canvas tote bag. **Free**
- Buy a jewelry organizer for the drawer. **\$80**
Use an egg carton. **Free**
- Buy a drawer organizer for three drawers. **\$45**
Use a variety of box lids. **Free**

I know what you're saying: "Jamie, you're so creative. I could never come up with all of these alternative solutions

MONEY



SAVER

Did you know that you can accumulate \$10,000 a year by saving only \$27.40 a day? That's less than one bounced check fee daily or equal to using pizza boxes instead of buying specialty archival boxes for your children's drawings.

my own.” First of all, I don’t believe that. Once you start to look at possible uses for an item, other than the one originally intended for it, all sorts of ideas will come to mind. But just in case they don’t, because this is such an important topic, I’ve dedicated an entire chapter to reusing, repurposing, and finding alternative uses for common household items so that you can release your inner crafter.

4. **We allow clutter-cash traps to go unattended.** Raise your hand if you’ve been putting off doing something that you know has the potential to make or save you money. It could be returning an item to the store or calling to stop the item-of-the-month club membership you no longer want. But you’re busy and you put it off. Before you know it, another thirty days have gone by, and you’ve accrued an additional subscription fee or lost out on the full credit of the return because it is over the time limit or the receipt is missing. Hundreds of dollars can slip through your fingers in this key area, but a few simple fixes will keep that money in your pocket.

The Differences between Wasteful Organizing and Moneyizing

When you organize, you toss out the old, but when you moneyize, you repurpose the old.

When you organize, you make a box of things to sell, but when you moneyize, you actually do sell the things in the box.

When you organize, you store the items that represent your past and your future, but when you moneyize, you get clear about what you want and who you are today.

When you organize, you store collections and memorabilia in a contained way, but when you moneyize, you use it instead of simply letting it collect dust.

When you organize, you purge, then buy more, but when you moneyize, you choose to own less.

When you organize, you allow your belongings to have power over you, but when you moneyize, you take control of your belongings.

When you organize, you resent all of your clutter, but when you moneyize, you have an attitude of gratitude for all that you can afford.

What's *That* Got to Do with Being Organized?

At first glance, you wouldn't think that asking for a good driver discount or calling your credit card company to request a lower interest rate would have much to do with being organized. But, in fact, these tasks have everything to do with organizing. You can make the calls only *if* you can locate the paperwork or have a system to remember to tackle time-saving projects such as comparison shopping, reconciling accounts, and paying more attention to the money-saving details.

If you had a fifty-dollar bill, you wouldn't carelessly let it sit out on a table or stuff it in a drawer. But an unsubmitted rebate for fifty dollars from a recently purchased printer is the same thing. When you start to look at that pile of papers and other items as if they have dollar signs attached to them, they take on a whole new meaning. You are less likely to allow them to collect dust and more likely to take action when there is an opportunity to make or save money.

What Does "Rich" Mean to You?

Each person would define a rich life in his or her own way, and that's how it should be. I think a rich life includes having not

only a healthy bank balance and as little debt as possible, but also the time, energy, and ability to connect with those you love. Only *you* know what feels healthy to you and what makes you happy. Of course, there are minimum requirements to meet in order for a person to be considered financially and organizationally fit, but above and beyond that, the rest is up to you.

The basics include:

- Knowing how much you make and spend in a month
- Consistently spending less than you earn
- Automatically saving a percentage of your income
- Having no debt or working on a plan to eliminate debt
- Having your assets protected
- Storing your important financial documents in a disaster-proof container
- Paying your bills on time and being up-to-date with your taxes
- Having a little something set aside to cover the unexpected
- Being able to find what you need when you need it
- Holding on to only those items you use and love
- Setting aside time on a regular basis to de-clutter

Beyond these criteria, I personally think it comes down to comfort and security. When you are comfortable, you feel healthy, and when you are secure, you can feel happy. Half-and-half organizing is the way to a rich life however you would define it.

Where's the Money?

There's really not a single object you can point to and say, "That's it! That's the one that caused my clutter-cash issues."

It's never only one large item or purchase that causes all of the problems. If it were, you'd be able to get rid of it, sell it, or do something so that you could get back on track. You might try to place the blame on a large purchase that revealed itself to be unnecessary, such as a new set of furniture or a shopping spree, but that's not it. Although this purchase probably didn't help, it's not the one that's to blame.

Instead, surprisingly, the problem is the accumulation that results from your daily habits. All of the small, seemingly insignificant choices you make on a daily basis get you to where you are. It's shocking, I know. It seems much more likely that a few extravagant purchases would be to blame, but no, it's the little stuff. Want to see what I mean? Grab a calculator or a pen and paper, or, if you're a math whiz and can add numbers in your head without losing track, you can skip using these tools. Personally, I can barely add two numbers in my head without messing up, but do whatever works for you.

Now walk over to your media collection: CDs, DVDs, and video games. Take a quick glance: which ones haven't been used in the last six months? Be honest, I know that at least one has a layer of dust on it. How much did it cost? Add up the approximate cost of all the ones that have gone unused. Are there one or two that never even made it out of that annoyingly difficult to open plastic wrapper? Try not to feel guilty. Simply add them to your total, and let's move on.

Now head over to your bookshelf. Which books did you buy but have not read yet? Add those to the list as well. It's not only the media items and the books; it's the clothes, the collections, and the other clutter. So, what's your total so far: \$20, \$60, maybe even \$100?

We'll look at one more key area before I let you off the hook. Take a walk into your kitchen, one of the biggest money pits of all. I've dedicated an entire chapter to the kitchen later

in the book, where I've cooked up some quick fixes to share with you.

Swing open the pantry door, and add up the approximate cost of all the things you have bought and not used. The bottle of fish sauce you bought when you thought you might learn to make fried rice, the package of seasoning that you don't even remember buying. You're not on *The Price Is Right*, so just estimate what the items cost and add them up.

Finally, let's hit the fridge. Take a look inside, and add up the cost of the food you will have to throw away. Maybe a half-gallon of milk past its date, a spoiled veggie or two, or perhaps an icky container of something that's so old, you don't know what it used to be.

What's your total now: \$80, \$120, or more? Now take that number and multiply it by 12 for the twelve months of the year. In these few areas of your home, let's pretend that you just found \$100. Multiplied by 12, that's \$1,200, which could be in your pocket instead of cluttering up your home.

I'm not asking you to do this to make you feel bad—honest. It's just that when you use your own personal items in the equation, it becomes much more real. So, look around you. That's where the money is. Now it is your job to recapture that money and put your clutter to work for you. To do that, let's look at how we justify the clutter-cash issue.

Lies We Tell Ourselves

Have you ever made any of the following comments? If you have, you're not alone. These are the most popular reasons why we tend to hold on to something. Call them excuses, reasons, justifications, or whatever; true or not, they are what we tell ourselves to avoid accountability. Now, every other organizer I know would have a clever comeback and would offer cliché

advice. But you already know that I'm not like every other organizer. I've put my own spin on a few old misconceptions, and you may be surprised to hear what I have to say. So go ahead, give me your best reason, and I'll show you why you're *right*!

The lie: "It'll come in handy one day."

What most people will tell you: Throw it away today; holding on to an item just in case sometime in the future you might need it creates clutter. There is no way you'll remember that you have it when you need it, and you'll only buy another one anyway.

Why that's wrong: Throwing away gently used or new items is like throwing away money. They add to our overcrowded landfills and rob you of a chance to sell them or share them with someone who can put them to good use.

The lie: "It's still good."

What most people will tell you: Let it go. It may be good, but it's no good to you.

Why that's wrong: If you can use those margarine containers and the cardboard tubes from the rolls of paper towels, go right ahead. Not having to buy a stack of small containers can save you up to \$10. Do that once a month, and that's \$120 you've saved in a year.

The lie: "But I might need it."

What most people will tell you: If you have not used it in a year, you should throw it out.

Why that's wrong: You're right. You might need it, so forgo the arbitrary one-year rule and designate a single place to store a handful of items you may use one day. That way, you'll have them when you need them and will not have to rebuy them.

The lie: “I love it.”

What most people will tell you: If it is so useful, why is it buried in the closet?

Why that’s wrong: If you love it, use it or display it. If you foresee being able to use it in the near future, store it away properly—and in such a way that you’ll remember you have it. We’re human; we can forget that we own something. Or, it could be that our tastes or our circumstances have changed, and now we have the space and the opportunity to use that item.

The lie: “I have to keep this, it reminds me of . . .”

What most people will tell you: The memory is not in the item; it is in your head. You don’t need to keep the actual object because you’ll always have the memory.

Why that’s wrong: Although it is true that the memory is not inside the actual item, seeing the item is the trigger that brings back the fond memory, so we do need to have certain items around. Taking and keeping a picture of the item can sometimes be all that you need to jog your memory. You can also keep part of the item; for example, if you have a broken chair with a needle-crafted seat by your great-grandmother, let the broken chair go and frame the needle-crafted seat.

The lie: “One day I’ll get to this.”

What most people will tell you: You are living for the future. You may have grand plans of how you will spend your time when you have more of it. So you hold on to all sorts of items, thinking, One day I’ll . . . Instead of keeping the stuff, let someone else use it now.

Why that’s wrong: It is impossible to predict when you’ll have a free moment to get to a project or when inspiration will strike and you’ll want to start something you’ve been putting off. If you don’t have the supplies you need, you

won't be able to begin the project. Keep a running list of the items you have so that when you make time to do the projects, you can get the stuff you need. Think about where you are today in your life, your interests, and the amount of time and space you have to start a project. Then, choose the top few projects accordingly.

The lie: "It was on sale."

What most people will tell you: Stocking up on something because it is a bargain or purchasing misfit clothing because you "could probably wear this someday" is not a deal by any stretch of the imagination. Practice passing up so-called sales.

Why that's wrong: Who doesn't love to save money with a good bargain? Stock up on what you need when you can get a good deal; just don't overrun the amount of storage space you have. And always shop from a list to avoid impulsive and unnecessary purchases.

The lie: "It was free."

What most people will tell you: If it's a pen from your doctor's office or a mug from the bank—unless you need another pen or mug—it will take up space, forcing you to clean around it while you provide free advertising!

Why that's wrong: If you simply think of a mug as a mug, then that's true. Do you really need another one? Probably not; however, using a mug as a Q-tip holder in the bathroom or a penholder in the office or even a paintbrush holder in your craft area is cost-effective storage. If you can think of an alternative use for an item, go for it. You'll save yourself money in the process.

The lie: "I paid good money."

What most people will tell you: No matter what you paid for it, if you keep it but don't use it, it is still a waste. Resolve

yourself to the fact that you did not make the best purchase decision, and let the item go to someone who will love and use it.

Why that's wrong: An item you never used can be sold for more than a gently used item can. Make all or at least some of your money back so that you don't feel as bad for not using the item. Make time to sell the item, and, in the future, either use items or return them, so that you don't lose the money you spent.

The lie: "I like being prepared."

What most people will tell you: Sometimes what we learned while growing up sticks with us as adults. One example is the fear of not having enough because of a real time when there was not enough, such as during the Depression. If you were taught to be thrifty and to reuse or hold on to things out of fear, then you may be repeating those habits today.

Why that's wrong: With finances the way they are today, there is a real possibility of not having enough. Either way, why discard something that is useful? Tell yourself that you will always be taken care of. This will help calm any anxiety you may feel that is based on old fears. If you reuse good items and continue to save money by becoming even more organized, you will ensure that you'll have enough for the future.

Small Changes *Can* Make a Big Difference

If getting your finances organized were as simple as paying your bills on time to avoid racking up costly late fees, there would not be much to talk about, would there? Sure, knowing where your unpaid bills are so that you can pay them before the due date is important. But let's be honest—who hasn't heard that overused

advice? It's not as if you set out to pay our bills late. Sometimes it simply happens, usually because the bill was misplaced and forgotten. So, yes, it makes sense to have a place to stash the bills so that you remember to pay them on time. Later in the book, I will describe some simple ways to organize key areas of your life that will make a financial difference.

Yet these crucial tasks, such as bill paying, don't tell the whole story. There are so many ways that clutter costs us, and it is the smaller, much less obvious ways that actually are the worst. Does it help to pay your bills on time? You bet. But you can do so much more that can pay off in a big way.

MARYANN'S STORY

Maryann represents a cautionary tale. She called me on a Monday, after yet another weekend of arguing with her husband about how much their disorganization was costing them. As she spoke, I filled out my new client form. She was married, the mother of two teenage boys, with a prominent job in the community. Her husband was a respected physician in town, and, like most of us, they were superbusy.

Maryann admitted that the last straw was when her oldest son came to her that night before bed and said, "If it will help, I'll sell my video games because they take up space in the living room."

After comparing calendars, we set a date for our first session, and I asked for her home address. There was an awkward silence on the other end of the line, and I wondered whether she was rethinking her decision to get started. But as it turned out, that was not the reason for her pause.

Maryann told me she was not sure which address to give me. I explained that we'd start at her home and move on to

her office or vacation home if we needed to. “No, you don’t understand,” she said. “I don’t know which home address to give you.” She admitted that they owned three homes. The first two were so full of clutter, they were uninhabitable. I reminded her that as an organizer, I make no judgments. I told her that the policy is not for her to tidy up before I arrive, because I need to see items in their natural state. “Don’t worry,” she joked. “I couldn’t tidy up even if I tried.”

Our first session was a huge success. As we organized her entryway, she told me about how they came to be paying for three homes but were able to live in only one. It started, she thought, with the birth of their first child. She said that their once superorganized home began to show signs of disorganization: lost car keys, piles of mail, missed bill payments. It escalated with each career promotion, new baby, and stressful life event, such as the death of her mother. She said it got even worse when her husband, Ted, won his first online auction. Maryann said that from then on, he spent an increasing number of hours online, bidding on items.

I asked what he was bidding on, and she showed me. Stacked floor to ceiling in a spare bedroom, with just enough room to barely open the door, were shoes, men’s shoes of all styles and colors. “Does he wear any of these?” I asked. “No,” she said. “In fact, many are not even his size.” Most of the shoes were still in their original packaging, and some had not even been taken out of their shipping boxes.

Getting down to work, Maryann showed me what she and the two previous organizers had attempted. They’d tossed out a dresser and box after box, then they’d shopped for her and returned from the organizing store with new boxes and a chest of drawers. This approach was illogical, because they purchased items that were similar to the ones

they had thrown away. They hadn't even sold or given away the boxes and drawers; they had merely tossed them into a landfill. This cost Maryann precious time and money that she did not have, especially with three mortgages to pay.

As a team, Maryann and Ted worked with me, and we made real progress. With so much reclaimed space, time, and energy, Maryann and Ted reconnected and realigned their GPS. In other words, they got their priorities straight. Instead of valuing objects, they cherished their time spent as a family, which meant that Ted stopped buying shoes.

Their oldest son did not have to sell his video games. It took slightly longer than eighteen months of their working together, but they are down to one home and a single large storage unit. And all of those shoes? Some were given away to men who needed shoes for job interviews; the rest were sold for a whopping grand total of more than \$23,000!

Along with recovering their bank balance, Maryann and Ted revived their marriage and now have a full and rich life.

Maryann's story is a bit extreme, but it can happen. That small pile of mail can turn into a mountain, and those collectibles can soon require a room of their own, costing you lots of money and so much more.

Ways We Avoid Organizing

When we say: It has to be perfect.

What we really mean is: I'll never be able to live up to the impossible standard I set for myself, so why try?

When we say: I don't know where to start.

What we really mean is: I'm too overwhelmed.

When we say: I'll get to it later.

What we really mean is: I'm too lazy to make a decision right now.

When we say: Why bother? It won't make that much difference.

What we really mean is: It's too far gone; a small change won't help.

When we say: I don't have the time.

What we really mean is: I'm not going to make the time. This is not a priority for me.

Aside from Money, What Is Clutter Costing You?

Sure, it seems innocent enough—the stuffed bear or the decorative basket that makes its way into your home. At first glance, you'd never guess items like these are costing you a fortune. And I don't mean the money you spent to buy them. The problem is so much bigger than that.

I call it the clutter quotient: what an item really costs to buy, own, care for, store, and clean around, then dispose of.

Aside from the dollar figure, clutter affects you in other ways, one of which is your happiness. It's true. Just think back to the last time you arrived home in a good mood, only to open the front door to see a mound of shoes, a stack of mail, and a pile of things to deal with later. How long did your good mood last? How happy were you then?

These are the ways that clutter can take a toll on our lives, financially and otherwise.

- In your relationships, you can second-guess yourself and your ability to be a good role model if you're disorganized. You can aggravate people around you with your

chronic lateness. Your self-esteem can be diminished if you feel unsuccessful because you can't organize your life. Arguments with family members and loved ones over the clutter can take their toll. Clutter acts as a barrier to your closeness with a partner; it's difficult to feel harmonious when you can't see the bed beneath the mess. And if you've stopped entertaining because of the chaos in your house, then you're missing out on creating memories with people you care about.

- Clutter drains your energy, and you won't realize it until that energy is already gone. Even your health can suffer because of the mess. Clutter can make it more difficult to eat healthy foods because you can't cook in a disorganized kitchen. Your home might not be as clean or as dust- and allergen-free when you're disorganized—not to mention the fact that piles of objects are hazards that you may trip and fall over.
- Regarding your career, you might be passed over for a promotion because you always miss deadlines, or you might receive a poor performance review due to a messy desk. You might even miss out on job opportunities because you misplace a key contact's information or forget about an interview appointment.

Get into the Habit of Organizing

You can resist your urge to simply buy something new, stop at a yard sale, or put the mail on the kitchen counter to sort through later. Whether you actually do resist is another story. Organization is a habit, plain and simple. You do not need any special degrees or skills, and contrary to popular belief, you do not need to be born organized to maintain an organized lifestyle. You can learn

the habits, starting today. When you walk in the door, toss your receipts in a single location, so that you'll be able to find them if you need to return an item or compare them with an incoming statement.

Busy versus Lazy

I hate to bring this up, but if we're going to be honest, it needs to be put out there. Laziness plays a big part in the clutter-cash connection. I once worked with a client who showed me a camera bag full of memory cards. Instead of simply reading about how to download the digital pictures onto her computer, she kept buying more memory cards. Here are a few ways that being lazy might affect your bottom line:

- Is my shirt stained? I'm too lazy to clean it, so I'll simply get a new one.
- I can't find the printer cartridge I bought. I'm too lazy to look for it, so I'll buy a new one.
- No socks? I'm too lazy to put in a load of laundry, so I'll just buy more socks.
- I'm too lazy to think outside the box, so I'll skip reusing a perfectly good item.

Let's not confuse *busy* with *lazy*. *Busy* is the term we often use when we're really just too lazy. We could make the time, but most often, we simply choose not to. Yet if getting organized and saving money are truly priorities, then none of these excuses will fly.

Now that you can clearly see the connection between clutter and money, it's time to put the principles behind half-and-half organizing into action. You're going to focus your efforts and accomplish something you can really be proud of.