



10 Tips on Conquering Financial Information Overload

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“Enough is a good as a feast.” *Mary Poppins*

“Everybody gets so much information all day long that they lose their common sense.”

Gertrude Stein - “Reflection on the Atomic Bomb” - 1946

I love being able to instantly learn about a topic that’s unfamiliar to me. In a given day, I might Google *mafaldine* (a type of pasta); the German word for clock (*Uhr*); and if I really need the four crowns my dentist just recommended (I don’t). I also use the internet, textbooks, magazines, TV, radio, professional associations, and academic sources to keep myself up to date on all things related to finance, taxes, investments, financial planning, insurance, etc. Those sources generate more information than any human brain can hope to keep up with, even when the owner of that brain is happily immersed in the world of finance.

What if you don’t know much about money but want to learn? You’re asking: How do I digest it all? What sources are valid? How do I know what’s right for ME?

For my current and future clients, financial DIY’ers, and all those feeling bewildered by the daunting masses of advice out there, these **10 quick tips will keep financial information overload from taking over your Google search history.**

1. Recognize the Problem – Psychology professor Daniel Levitin defines information overload as the freak out (my word!) that “occurs when information comes in faster than we can process it.”ⁱ He goes on to discourage us from believing in a manageable information threshold of decision making. Attention is a limited resource that can’t really be “built” like biceps or Spanish vocabulary. It’s not that we have inadequate attention spans or that we are bad decision-makers – the problem is that the waitress has poured too much water in our glass, and it has overflowed.

Levitin goes on to reassure us that “The first thing is to recognize the problem. You have to accept that there are only so many decisions you can make before you become exhausted and unfortunately, trivial decisions don’t take up fewer neural resources than important ones.”ⁱⁱ So, you want to prioritize decisions and give neural space to the vital ones. In the case of your finances, that means doing enough research to find a **good** way to invest your money – not necessarily the **perfect** way – and accepting that as good enough.



2. Limit – That iPhone clock icon can’t use itself – at least not yet! Set time limits for yourself for how long you will spend at your financial research. Advice on de-cluttering your house or starting an exercise program hinges on setting a timer and making yourself “just do it” for 15 minutes. Set limits on how much time you will use to research municipal bonds or credit card debt or home-owners insurance, and stick to it. If you know that you only need to commit for a short period, it will be easier to start and to manage all the new information.

Research shows that the *amount* of information causes less emotional difficulty than the *method* of its presentation; stated in other words, when information is structured in an appealing way, it’s easier to pull what’s relevant and leave the rest.ⁱⁱⁱ Put limits on how much time you’re going to spend on researching your financial overhaul, and choose websites, books or videos that present info in the way you absorb it best.

3. Filter – Most adults have gotten pretty good at filtering – just ask any die-hard Black Friday Christmas shopper or husband who can’t see the trash can overflow. The barrage of news, facts, sales, political messages, and kitten videos assail us relentlessly, and we’re good at opening only the things we’re interested in. The problem emerges when we begin to explore a new field like finance. We think “I’ve got to do something about my finances,” and we start the research process. Because we don’t know much about it, we don’t filter as well.

For example, I’ve been cooking for 40+ years and love it – I can scan a recipe in seconds to see if it will be delicious. On the flip side, ask me to make a papier-mâché tribal head mask and I’d stare back in confusion; I just don’t know enough about crafting to filter efficiently. If you are just learning about money, you’re lost at sea, drifting not in a sturdy aircraft carrier but on a rickety raft. It’s your hard-earned dollars at stake, not \$6.30 and a Gorilla-Glue-stained t-shirt.

4. Distance Yourself – Researchers from the *Journal of Experimental Psychology* call it “psychological distance,”^{iv} and tell us to use it when confronting a decision with many pieces of information. How can we get psychological distance when we’re figuring out what to do with our money?

The concept of the mental junk drawer can be useful. Think of the junk drawer in your kitchen – the repository for all things that have no set place. In reality, a **mental junk drawer** can function as a “cognitive economy” in the fight against information overload, according to Levitan: “Far from representing a failure, I think junk drawers are a triumph of organization. Often we’re busy and have some little thing in our hand and don’t want to stop and think hard about where to put it, so we make a decision that’s good enough for now. We reach a point of frustration, all in the space of five seconds, and it goes in the junk drawer.”^v As you collect information, you can



obtain distance by dropping it into your mental junk drawer – the place in the back of your mind that less important info resides. The more you learn over time, the better you can de-clutter and organize that drawer to full usefulness.

5. Accept Some Multitasking – Multi-tasking used to be touted as a skill to be admired. Studies are starting to show that its benefits are less awesome than we thought. Advice changes over time: few of us would consider whole-heartedly following advice from Everett Mattlin’s 1980 book *Sleep Less, Live More*, but we still short ourselves on sleep sometimes. We’re no different with multi-tasking; we all do it and we all miss out on key knowledge because of it. Think of a TV show you love and one you care little about. When *Game of Thrones* comes on, you are riveted to the screen, but when a golf tournament is on, you’re folding laundry, sending texts, and otherwise multi-tasking. At the end of *Game of Thrones*, you know how many spires are in King Joffrey’s crown; you don’t even know who won at golf.

Financial decision-making requires multi-tasking because the many disciplines that make up this field are inter-related. You need to consider the economy, the political environment, interest rate movement, and many other considerations in mind as you think about buying specific stocks or ETFs. The more you absorb, the better you’ll eventually get at managing financial multi-tasking.

6. Delegate – You can successfully reduce financial overload by relying on a trusted friend or family member to do financial research for you. Your high-schooler who can’t wait to day-trade or your frugal, computer-savvy mom might enjoy researching and condensing the results for you to keep up with current financial trends. Ask them! What you might consider “shadow work” (stuff we have to do now that we didn’t do in the past like bagging your own groceries, pumping your gas, making airline reservations) could be a task that someone else actually enjoys.^{vi} Instead of using up your attention capacity on stuff that bores you, pass a shadow task to someone who might enjoy it – it will free you up AND get the task done. In your crowd of friends you’ve got the cook, the tech guru, the travel planner. Could one of them be the group’s financial expert?

7. Organize – This tip is tough for almost everyone. It doesn’t help that financial information flows like water from a broken faucet. It’s omnipresent and ever new. When you’re just starting out, it can seem overwhelming. Keep in mind that although business trends and cycles vary, the basics of financial intelligence never change: “Spend less than you make”; “If it seems too good to be true, it is”; “Maintain an emergency fund”; “The higher the return, the higher the risk.” Your best bet to be organized in your quest for financial knowledge is to sort the info you find in the way best suited to your style – folders of printed out material; electronic email or computer folders; short video collections and links; or any other method that works for YOU.



8. **Immerse** – You’ve heard the Einstein quote “Any man who can drive safely while kissing a pretty girl is simply not giving the kiss the attention it deserves.” Sometimes, especially when you’re trying to learn something new, it pays to devote yourself to it. Learning French goes better if you live in France. Since we know that not having enough time is a key element in the perception of feeling information overload,^{vii} choosing to have a concentrated period of researching finance or going to an educational seminar can give you the concentrated time you need to immerse yourself and feel more comfortable.

Total immersion can let you in for a treat because it may lead you down paths you wouldn’t necessarily explore when you are in a hurry. Investigative journalist Michael Grunwald laments that “we’ve honed our daily news feeds to send us stuff that already interests us, so we’re less likely to stumble upon a quirky story on page B-13. We gravitate toward online cocoons of likeminded people who don’t challenge our assumptions. Optimizing isn’t always optimal.”^{viii}

9. **Disengage** – In direct contrast to Tip #8, sometimes you just have to take a breather. Psychologist Avery Holton notes that many consumers “tune some content out at the risk of wasting potential benefits ... or simply ignore the news all together.”^{ix} It’s ok to check out sometimes. For most of us, periodic delays in optimizing our investments are not going to cost that much.

If, as [Digital Intelligence Today](#) reports, information overload is linked to greater stress and poorer health, we are smart to disconnect from a constant pursuit of information. Levitan again: “Information overload occurs when information comes in faster than we can process it. There isn’t a threshold -- that’s the wrong way to look at it. Attention is a limited resource. It’s the amount of information compared with what we’re able to deal with at a given time. That changes across lifespan, from person to person, hour to hour.”^x

10. **Rely on Reputable Sources** – Channel your Freshman English Comp 101 professor. Even if you snoozed through her lecture on credible sources, surely you remember her exhortations to avoid Wikipedia and use scholarly peer-reviewed journals. No need to teleport to the twin XL bed squeezed under your roomie’s messy loft in your search for accurate financial information, but you want to bear in mind that advice from the [Wall Street Journal](#) or [CNBC](#) is way more reliable than a random YouTube video like “Brandon’s Stock Tips.”

Another reason to count on verified, unbiased sources comes from sociologist Eszter Hargittai, who points out that some of the stress we experience from information overload results because the info we are accessing isn’t accurate. Again, go to safe, verifiable places (see the list below and at [wilsondavid.com](#)). I can’t say you’ll never be misinformed, but it’s unlikely that [Motley](#)



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[Fool](#) or [Investopedia](#) will lead you far astray. The following list of good financial sources comes primarily from government or other non-profit sources that aren't trying to sell you a particular product.

Take-Away – you **can** learn more about money to protect and grow yours! Even if you just end up hiring a financial advisor – like me! – you want to learn the basics so that you can protect yourself financially. Chinese philosophy Lao Tzu says that “A journey of a thousand miles begins with a single step,” but you don't have to take that step alone. Call me and let's start the journey together.

Try these tips – or call me! I can help.

Thanks!

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ⁱ O'Callaghan, Tiffany. "It's All Too Much! – Discussion with Dan Levitan." *New Scientist*. 223.2982 (2014): 26-27. Web. 22 Jan. 2015.

ⁱⁱ O'Callaghan.

ⁱⁱⁱ Hargittai, Eszter, W. Russell Neuman, and Olivia Curry. "Taming the Information Tide: Perceptions Of Information Overload In The American Home." *Information Society* 28.3 (2012): 161-173. *Academic Search Premier*. Web. 17 Feb. 2015.

^{iv} Jun, Fukukura, Melissa J. Ferguson, and Kentaro Fujita. "Psychological Distance Can Improve Decision Making Under Information Overload Via Gist Memory." *Journal of Experimental Psychology*. 142.3 (2013): 658-665. Web. 22 Jan. 2015.

^v O'Callaghan.

^{vi} O'Callaghan.

^{vii} Hargittai.

^{viii} Grunwald, Michael. "I. The Second Age Of Reason. (Cover Story)." *Time*. 184.9/10 (2014): 36-39. Web. 22 Jan. 2015.

^{ix} Holton, Avery E., and Hsiang Iris Chyi. "News And The Overloaded Consumer: Factors Influencing Information Overload Among News Consumers." *Cyberpsychology, Behavior & Social Networkin.g* 15.11 (2012): 619-624. Web. 22 Jan. 2015.

^x O'Callaghan.



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FINANCIAL INFO WEBSITES TO HELP REDUCE INFORMATION OVERLOAD
Go here to cut through the confusion and danger of navigating the world of money and finance!

Great General Sites

<http://investor.gov/>

http://www.pbs.org/your-life-your-money/tools_resources.php

Social Security Info – Retirement and Disability

<http://www.socialsecurity.gov/>

<http://www.socialsecurity.gov/retire/>

<http://www.socialsecurity.gov/disabilityssi/>

Home Mortgage

<https://www.consumer.ftc.gov/articles/0189-shopping-mortgage>

<https://www.federalreserveconsumerhelp.gov/learnmore/home-mortgages.cfm>

Investing in the Stock Market

<http://investor.gov/introduction-markets>

<http://www.usa.gov/topics/money/investing/tips.shtml>

Stock Options

<http://www.optionseducation.org/en.html>

Financial Calculators and Tools

<http://investor.gov/tools>

Investing in Bonds

<http://www.finra.org/investors/bonds>

IRA's for Everyone

<http://www.irs.gov/Retirement-Plans/Individual-Retirement-Arrangements-%28IRAs%29-1>

Roth IRA's for Lower Earners

<https://myra.treasury.gov/about/>

401K's at Your Company

http://www.dol.gov/ebsa/consumer_info_pension.html



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FINANCIAL INFO WEBSITES TO HELP REDUCE INFORMATION OVERLOAD (CONT'D)
Go here to cut through the confusion and danger of navigating the world of money and finance!

Insurance Info

<http://www.insureuonline.org/>

Retirement Planning for Millennials

<http://www.fool.com/investing/general/2014/10/18/financial-advice-for-millennials.aspx>

Definitions of Financial Terms

<http://www.investopedia.com/>

Financial Literacy for Kids

<https://www.fdic.gov/consumers/consumer/moneysmart/young.html>

<http://www.mymoney.gov/Pages/for-youth.aspx>

Retiree's Financial Issues

<http://www.aarp.org/money/>

Women's Financial Issues

<http://www.investopedia.com/financial-edge/0312/finance-tips-for-single-women.aspx>

529 Plans to Save for College

<http://www.sec.gov/investor/pubs/intro529.htm>

http://apps.finra.org/investor_Information/Smart/529/Calc/529_Analyzer.asp (fee calculator)

Saving

<http://www.americasaves.org/>

Avoiding Identity Theft

<http://www.consumer.ftc.gov/articles/0272-how-keep-your-personal-information-secure>

Federal College Student Financial Aid

<https://studentaid.ed.gov/types/scams>

Estate Planning

<http://www.aarp.org/money/estate-planning/>



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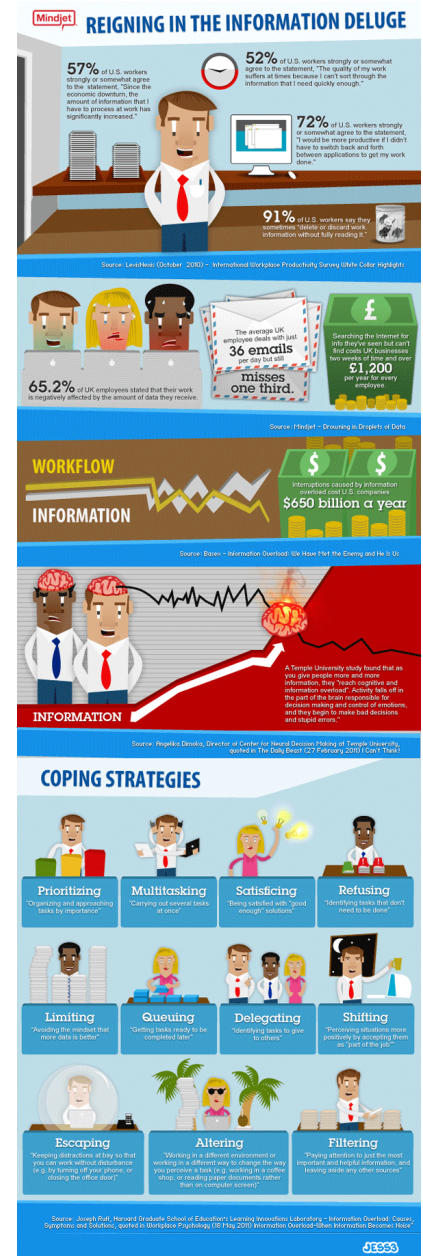
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From - <http://www.businessinsider.com/infographic-how-information-overload-affects-you-in-the-workplace-2012-2>