

Investing 102: I am a Robot

I've been distracted recently and haven't given this blog the attention I'd like, with several other creative projects (more to come on this!) taking priority, plus the taking-longer-than-wanted-but-not-unexpected basement refurb. Thankfully, though, my finances are robotocized (that's a word, I swear) and I don't have to worry about making sure I'm on track.

So how do I robotocize my financial life?

1. Direct deposit. Did you know you can set up a direct deposit to multiple accounts? I only figured that out recently. I get paid every two weeks and set up direct deposit with my employer. The general amount I need for living expenses (or at least what I budget) is deposited to my checking account and the rest goes to my savings/brokerage account at Schwab.
2. Automatic bill pay. Many banks and credit cards offer options to set up automatic bill pay through your accounts directly. I've taken a more piecemeal approach and set up automatic payments through each billing account, but now I don't ever have to worry about making sure my bills are paid on time, including everything from my mortgage and car insurance to electricity and gas to state and federal taxes to full payment of my credit card balances every month.
3. Automatic investing. Once my paycheck gets deposited in my Schwab brokerage account, a few days later I have a semi-monthly automatic purchase of \$300 of a total stock market index fund. This means I invest \$600/month without even thinking about it. Through my employer, I also have my 401(k) withdrawal with every paycheck -- I front load it with a whopping 50% of my paycheck at the beginning of the year.
4. Automatic dividend reinvestment. Whenever I buy a stock or fund, I select the option to automatically reinvest dividends -- free money to invest before I even know I have it.
5. Automatic rebalancing. I have my 401(k) account set to automatically rebalance once a year. This ensures that the [asset allocation](#) I've selected will stay generally the same from year to year -- in a nutshell, if I have a great year in stocks, I'll shift some of the gains over to bonds, and vice versa, ensuring maximum diversity for maximum growth over the long haul (there's an important life metaphor in there somewhere!).

Easy peasy, nice and breezy! Now if only I can find a way to robotocize the rest of my responsibilities ...