Nearly 4,100 personal finance websites exist on the Web, according to The Nielsen Company, and they target individuals of all ages, income levels, and needs. All the sites combined attract one in four people who use the Internet, said comScore.com, which tracks Internet traffic, rivaling Facebook in popularity.

At the forefront of this trend are websites that monitor household budgets for young professionals with high disposable income, distribute coupons to the thrifty, and host calculators capable of boiling down personal financial information into a single chart or retirement plan.

This guide, which is based on an in-depth report, “Financial Literacy on the Web,” by the Center for Financial Security at Boston College, imposes order on the Internet’s chaos by providing a framework to assess personal finance websites.

First, this report identifies three categories—Models—of personal finance websites: Financial Data Aggregators, Financial Decision Aids, and Financial Communities.

Second, within each Model, the report describes marquee sites that demonstrate its best features and lists pros and cons. On the Web, marketing professionals say, “Content is King.” The report selected the featured sites for their content, which is effective in shaping personal financial decisions.

Traffic is also crucial. The sites selected have steady traffic flows, as measured by the industry standard: monthly visits by unique users. The standard does not count multiple visits by a single user. The report used the standard because websites that fail to attract visitors cannot be effective, no matter how good the content.

<table>
<thead>
<tr>
<th>MODEL 1</th>
<th>MODEL 2</th>
<th>MODEL 3</th>
</tr>
</thead>
<tbody>
<tr>
<td>Financial Data Aggregators</td>
<td>Financial Decision Tools</td>
<td>Personal Finance Communities</td>
</tr>
<tr>
<td>Process more than humanly possible</td>
<td>Calculate cost or benefit</td>
<td>Bring people together</td>
</tr>
</tbody>
</table>

For the full version of this report, visit http://bit.ly/8YtRSb

The Center for Retirement Research thanks AARP, Bank of America, InvescoSM, LPL Financial, MetLife, National Reverse Mortgage Lenders Association, Nationwide Mutual Insurance Company, Prudential Financial, State Street, TIAA-CREF Institute, T. Rowe Price, and USAA for support of this project.
MODEL 1: Financial Data Aggregators

Mint helps individuals manage their budgets, and is perhaps the most accessible Financial Data Aggregator. It can enhance financial literacy by prompting users to recognize—and, ideally, change—little-understood spending patterns.

Mint, a start-up that was acquired by Intuit, reaches into an individual’s bank and credit card accounts every 24 hours; tallies purchases; and sorts them into rent, groceries, transportation, utilities, and customized categories such as gym membership or Starbucks. It then compares actual spending by category, with each category’s budget, which has been pre-determined by the subscriber. Bar graphs visually signal overspending by changing from green to red.

Spending habits may change immediately, or over time, as patterns of excessive spending are revealed. One Mint devotee in Boston, shocked to learn that she spent $500 every month to dine out, started cooking at home.

Morningstar, a financial research company, employs its extensive database of stock and bond holdings in thousands of mutual funds and individual stocks. Morningstar’s calculator, Instant X-Ray, advances financial literacy by allowing individuals to access information once available only to financial professionals.

Instant X-Ray attracts a healthy 12,000–16,000 unique visits per month. Users enter names of each mutual fund and their dollar investments in each. The program extracts the funds’ current holdings from Morningstar’s database, combines them into an aggregate portfolio, and breaks down that aggregate portfolio by asset class to display overall diversification.

Diversification can also be broken out by industry, geographic area, and security risk profile. X-Ray can even calculate how much cash an investor holds in funds that ostensibly invest only in stocks or bonds.

Bankrate provides visitors—for free—interest rates or price quotes on a range of financial products, both from the site’s advertisers and non-advertisers. While not a definitive resource, Bankrate is a starting point for timely and competitive quotes. It is useful to anyone shopping interest rates for a loan or seeking to reduce the interest on existing loans. Savers can get yields on savings accounts, certificates of deposit, and insurance.

Bankrate also slices and dices quotes. For example, those individuals shopping for a credit card can search 15 categories of cards, such as gas reward, balance transfer, and cash-back cards. A search for cash-back cards generated 10 options.
MODEL 2: Financial Decision Tools

**Fidelity.com**

Fidelity Investments, one of the world’s largest financial institutions, allows non-customers to log on and use customer tools. The tools are arranged by life stage: Starting Out, Building Wealth, Getting Ready to Retire, Living in Retirement, or Managing Wealth.

Click on Getting Ready to Retire to drill down and examine whether you are ready, how to prepare a portfolio, or evaluate Social Security options.

Fidelity can afford to throw resources into designing a site that is comprehensive yet fun. An interactive tool, “My Plan,” makes full use of the Web’s potential. It allows users to determine whether they’re saving enough by simply sliding knobs and using their mouse to change variables such as retirement age or monthly savings. Each time the knob moves, a chart showing their projected retirement nest egg increases or decreases automatically — Fidelity makes the “next” button obsolete.

<table>
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<tr>
<th>Purpose: Life Stages</th>
<th>Unique Monthly Visits: 5.7 million</th>
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**PSECU**

The Pennsylvania State Employees Credit Union site has transcended the typical, static credit union website, and is a popular destination for its 365,000 customers.

PSECU’s automobile calculator is the most-used tool (99,505 total visits per month), followed by home financing (43,300) and personal credit lines (21,000). Another tab on the home page — “Planning and Resources” — consolidates tools with financial information and definitions to aid the nearly 3,000 unique visitors it attracts every month.

PSECU steers clear of conflicts of interest. Its mission is, first, improving members’ financial health and, second, selling products. This is reflected in calculators that help members make decisions that promote their interests. For example, the automobile calculator does not encourage members to take out a car loan, which would benefit PSECU. It instead calculates the lower cost of purchasing a car with cash versus credit.

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<th>Purpose: One-stop shopping</th>
<th>Unique Monthly Visits: 232,000</th>
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**GoSimpliFi.com**

Financial Decision Tools deploy increasingly sophisticated technology as they reach to provide more sophisticated services. GoSimpliFi.com demonstrates the potential for a future generation of tools by giving personalized advice that typically comes from a financial planner.

The site’s virtual financial planner, represented by an avatar named “Sophie,” analyzes users’ financial data and provides tasks to help them reach their goals. Sophie makes it easy for users to enter financial details: Users simply transfer icons that represent the building blocks of their financial profiles — debt, savings, college, a house.

Sophie’s analytical skills are impressive. Using these inputs, she can spot shortcomings in a financial program, propose solutions, and prioritize goals. Like any good financial adviser, Sophie also tracks whether users complete tasks and move toward their goals.

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<th>Purpose: Financial Planning</th>
<th>Unique Monthly Visits: 660,000</th>
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**Pros**

- Simplify the full gamut of financial decisions.
- Perform complex mathematical calculations that users can’t.
- Enable comparisons over time or among financial products.

**Cons**

- Difficult to determine which tools are accurate, reliable.
- Provide entrée to corporate marketers.
- Assume user knowledge and short on explanations.
J.D. Roth started his personal finance blog, GetRichSlowly.org, in 2006, as he struggled to climb out of a mounting pile of debts. Today, GetRichSlowly is one of the most popular independent personal finance blogs on the Web.

Roth, who lives in California, writes about his personal financial experiences, often sparking lively online debate among readers. More than 100 people responded to the blog post, “How I Cut My Television Bills in Half.” In it, Roth said he and his wife discontinued their premier cable channels and found lower-cost or free alternatives, such as Hulu.

The financial blogosphere is rife with conflicts of interest among bloggers who write but also hustle for advertising. Roth acknowledges the conflicts and tries to run a clean operation, which his readers rely on. He said he has lost advertisers who tried to influence his content.

GetRichSlowly.org home page is an unattractive sea of purple hyperlinks. But the website thrives as host to a vibrant investment community that carries on conversations 24/7.

Bogleheads is named after Jack Bogle, founder of the Vanguard Group Inc., the index fund company. The site, which first focused on a narrow audience—index-fund investors—has developed a reputation for giving useful investment advice without direct sales pitches. New visitors seeking help are made to feel welcome by Bogleheads, who swoop in with practical advice.

Members said the information they trade among themselves is highly accurate, because they are vigilant in searching out and destroying inaccuracies posted to the site.

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The Internet has Fantasy Football. Now there’s a fantasy game for stock-market amateurs. Motley Fool’s award-winning website, Fool.com, hosts some 140,000 investors—with names like bullishbabo and Spec-Bear—who participate in a virtual competition.

Each player selects individuals stocks, and Motley Fool tracks their performance, continually updating its rankings of each player’s overall investment performance. Players—called “Fools”—write “pitches” to persuade other Fools to “buy” their stocks. The site bestows players with jester hats—colorful hats indicate higher returns.

The game, called Caps, is a harmless way for investors to take risks—and lose big—without risking real money.