

# Parents

## Save or Shred?

Despite living in an electronic age, you may feel as though you're drowning in paper: bills, monthly statements, insurance claims, the works. Fortunately it doesn't have to be that way. We'll tell you what to toss and what to keep.

### Save

- Your individual tax returns and records for each line-item deduction, in addition to any self-employment or business-related tax returns or back-up. Ask your tax preparer for his best advice on how long you need to keep these documents handy, since guidelines may differ depending on circumstance.
- Personal identification papers, including social-security cards, passports, birth and death certificates, marriage license or divorce documents.
- Essential papers pertaining to your home, including your house deed, legal mortgage document, and settlement statement. You should also scan titles to every vehicle you own.
- The original agreement and payment records for all student, auto, and home-equity loans.
- Current insurance statements for auto, home, life, and disability coverage, as well as the initial terms of agreement for every credit card you carry.
- Estate-planning documents including your will, living will, power of attorney, and health-care directive. (Keep the originals in a safe-deposit box.)
- Initial purchase records for stocks, bonds, and other investments, which will enable you to calculate the cost basis when you sell.

### Shred

- Monthly credit card, bank, and investment statements. These institutions are required to maintain records (and they're available online), so there's no need to keep duplicates, says Jennifer Ford Berry, author of *Organize Now! Your Money, Business & Career*. The money-management app Check (free for iPad, iPhone, and Android), allows you to track your accounts in one digital space and pay bills by linking it to your checking account or credit card.
- Dispose of electric, phone, cable, and Internet service bills each month, after your payment clears. If you ever need a monthly statement to establish residency or a credit history, these vendors are required by law to provide a hard copy.
- All documents displaying your contact information, including mail you plan to discard. Many banks and credit unions offer complimentary document shredding. You can also search the Web for "local free shred days" or visit the National Association for Information Destruction ([naidonline.org](http://naidonline.org)) to find paid shredding services in your area.

### Going Digital—Safely

Take these steps to protect your electronic records, says Chris Jones, president of Sparrow Wealth Management, in Las Vegas.

- Shred all papers before discarding them.
- Keep hackers away by making sure that both your computer and wireless router are password protected.
- Black out your social-security number before storing papers electronically.
- Back up your computer to a remote server (rather than an external hard drive) so that a fire, natural disaster, or burglary won't endanger your records. Check out these highly rated services, all of which offer free trials: CrashPlan (\$6 per month per computer or \$9 per family; [code42.com/crashplan](http://code42.com/crashplan)), Carbonite (\$60 per year; [carbonite.com](http://carbonite.com)), and Backblaze (\$5 per month per computer; [backblaze.com](http://backblaze.com)).