



Comparison: Quicken 2000 vs. Money 2000

by Kenneth J. Michal

Quicken 2000 from Intuit and Microsoft's Money 2000 are the two most popular combination personal finance and portfolio management programs. With both programs fresh from their annual updates, we thought it a good time to closely examine how they stack up against each other. The two programs will face each other head-to-head and an overall winner will be determined by a check-box scoring system.

We cover everything from primary functionality to the companion Web sites of these two programs. Points of functionality are graded with ease-of-use in mind. The interesting history between the two software giants is also reviewed—a history that goes beyond just making software and gets into bullying buyout tactics and antitrust trial testimonies.

The Competition

Over the years, the competition between Quicken software developer Intuit and Money maker Microsoft has escalated from a friendly competition to a mildly heated rivalry. The battle for market share and the dollars of the individual investor reaches new highs in animosity with each new version release. The stakes are high because both firms hope to sell additional financial products such as insurance, loans, and credit cards to their software customers.

The healthy rivalry that once existed between these two software titles has grown into an antagonistic battle of egos where company leaders themselves are at the forefront—the software jostling has become second page news. Much of this rivalry talk has been created by the media, but a significant portion of the heat is fueled by pure competition between these two firms. With regard to the software, this competitive relationship has become a constant battle of one-upmanship—trying to better the other's most recent release.

For a little background on this com-

petition, let's look at the history of these two programs and their firms.

The History

Intuit first introduced Quicken software back in 1984, marketing the program as a financial planning assistant for the DOS platform. Quicken software—archaic compared to today's programs—was revolutionary at that time because it could help develop a strict budget, keep a clean checkbook, aid in doing your taxes, and track your portfolio, all while offering suggestions on improving your returns. In the late 1980s, an Apple Macintosh version of Quicken was released and a friendship was forever forged with the Mac community. In the early 1990s, a new Quicken program that ran on both DOS and the new Windows operating system was released.

At about the same time as Quicken for Windows was launched, Microsoft designed and developed its own personal finance software program. In 1991 Microsoft unveiled version 1.0, simply entitled Money. Money offered many of the same features that Quicken did—most of which involved tracking

one's finances. But like many version 1.0 programs by Microsoft, it was not complete. The early versions of Money did not have portfolio management capabilities. Money was a solid program, yet it lacked the duality of its direct competitor Quicken—it was strictly a program designed to assist the individual investor with everyday financial tasks. Microsoft did not perceive monitoring a portfolio as being one of those tasks.

The early versions of Money software did not sell well—in sales, it lagged not only Quicken, but also several other programs on the market. It was panned in software reviews. The program was somewhat of a disappointment for Microsoft. With a limited feature set, Money clearly missed its mark.

Microsoft was faced with a major dilemma: whether to significantly upgrade the features of Money, scrap the Money program all together, or seize its foe by targeting Quicken software via a proposal to buy out the parent company Intuit. For Microsoft, the “can't beat 'em, buy 'em” philosophy won out. Microsoft's idea was to bundle Quicken software within its current Windows

Money 2000 Home Page



The screenshot displays the Quicken 2000 software interface, specifically the 'My Finances' page. The main window has a title bar 'Quicken 2000: Finance - 9/23/99 [My Finances]'. Below the title bar is a menu bar with 'File', 'Edit', 'Page', 'Setting', 'Inventory', 'Expense', 'Tools', 'Viewing', 'Reports', and 'Help'. The main content area is divided into several sections. On the left, there's a 'My Finances' sidebar with a 'Customer's' section. The main area features a large 'Welcome to your Finances Page!' message with three numbered steps: 1. Customize this screen, 2. Create a new page, and 3. Remove this element. Below this, there's a section for 'Alerts & Reminders' and a 'SUGGESTIONS' section. A 'View Budget' dialog box is open, showing a list of budget categories on the left and a 'Choose Item' list on the right. The 'Choose Item' list includes 'Accounts to Monitor', 'Alerts & Reminders', 'Download Summary', and 'Learn About Budget'. The 'View Budget' dialog also has buttons for 'OK', 'Cancel', 'Move Up', and 'Move Down'.

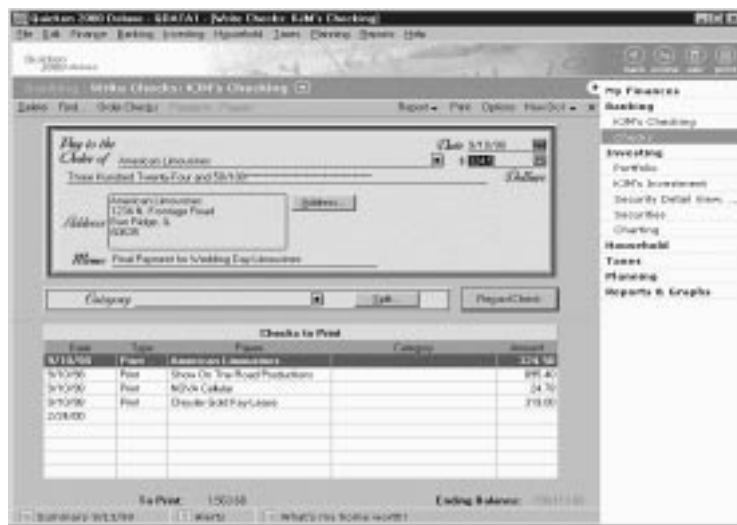
“Playing to the level of your competition” is a phrase often used in sports. It refers to raising your game, or sometimes lowering it, to the level of your current opponent. Raising the level of their game to that of Quicken’s had been the plan of the Money program from

Keeping Up With the Joneses

Quicken and Money have long shared this one-upmanship mentality where one borrows from the other in a “keeping up with the Joneses” struggle for the freshest program and most complete set of features. The key here is borrowing, and borrowing after the fact. Most of the new features found on Quicken one year will find their way into next year’s Money program, and

Personal finance software both helps you examine your current overall financial position and provides a framework for planning financial goals. The modern-day list of personal finance tasks is a long one. These two programs

Sample Check Found in Quicken



provide organization and management to help you control that large stack of paperwork on your desk. These programs can serve as mere recordkeeping diaries that capture every dime that is earned and spent or as planning applications that consider only gross savings and focus on generalized long-term goals and objectives.

The nucleus of a personal finance program is its checkbook register. The data entered here flows into budget accounts, updates net worth values, and helps estimate tax liabilities, among other tasks. The majority of your time will be spent using this register. It is important to select a program with an intuitive, easy-to-use interface—and one that you are comfortable with. Clean, graphical replicas of standard checks as well as checkbook registers are offered by both programs. The slightest of nods would have to go to Quicken when it comes to checkbook register graphics and interface. The register interface is neat and filled with handy calculators to enter and calculate numbers. A nice convenience of both programs is that they automatically enter the date and categorize the payment for your budget plan.

On-line banking and brokerage functions available with both products allow users the ability to directly connect with a number of banks and broker-

ages to retrieve posted transactions, download complete statements, and pay bills electronically. The two most popular electronic bill payment services are CheckFree and Electronic Bill Pay from TransPoint. Quicken uses CheckFree and Money currently works with both services. TransPoint is an electronic billing and payment joint venture between First Data Corp and Microsoft. However, CheckFree has just announced a merger with TransPoint, which will leave just one prominent service for both products.

The next key feature of a personal finance application is its budgeting capabilities. These two products allow you to assign budget categories as you enter transactions into the checkbook register. Both come with a predefined set of categories but also allow you to easily add your own additional categories. Quicken and Money can also “remember” the category for a payee from a previous entry.

Budgeting involves a lot of data entry (cash activities and credit card histories) and a strong dedication to maintaining organized groups of your data (income, payments, expenses, other liabilities, and taxes). The computer program cannot do all the work; the individual must maintain accurate records and make it a habit of updating records and accounts. This might get tedious and annoying at times, but it is necessary if you want to gain an understanding of your (or your spouse's) spending and saving habits. If you keep up your end of the bargain, these two software programs will easily be able to keep up theirs. Both programs do an adequate job of maintaining budgets and planning forecasts—a straight draw here.

Since taxes impact your finances, it is a very important issue in budgeting. Pending tax liabilities are often reviewed and programs offer suggestions and adjustments to help reduce your

Creating a Scheduled Payment in Money



tax liability or perhaps to modify your tax withholdings. Both programs link to tax preparation software programs, so that data entered in the personal finance program can be exported into the tax program and analyzed there.

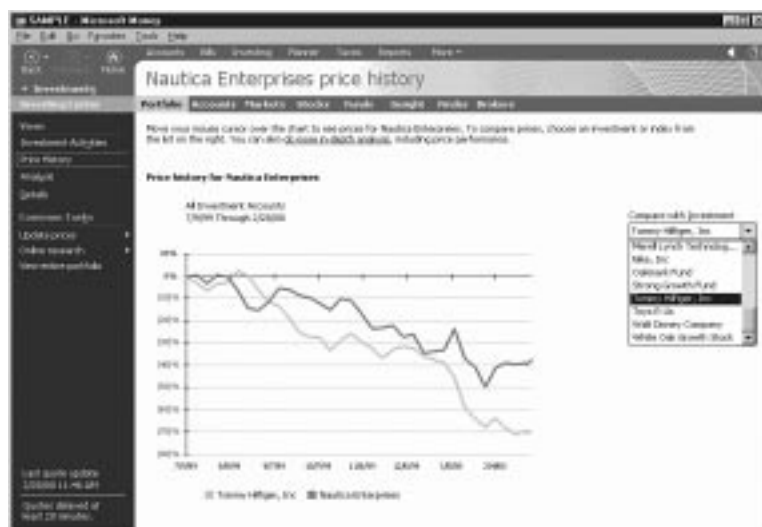
Quicken works seamlessly with its long-standing stablemates at Intuit, TurboTax for Windows users and MacInTax for Mac people. Quicken also works well with the new TurboTax Web site, where taxes can be prepared and filed electronically. In the past, Microsoft Money worked exclusively with Intuit's TurboTax program for tax preparation. This tax season, however, Microsoft launched its own new tax preparation software product called TaxSaver. This new TaxSaver program is unproven and appears to be limited in its availability so far this tax season—not at all like TurboTax, which can be found at almost any computer/electronics retail chain or superstore. Quicken, with the TurboTax/MacInTax team, has the clear advantage in this area.

Reports are a key component of any personal finance program and are really what make your financial plan come together. While Quicken and Money are two of the most easy-to-use financial programs on the market today, they are also more graphical and visually pleasing. Reports are comprehensive and easy to read, coherent, and do a good job of breaking down information into specific categories. This is true for both programs. Specific financial reports include detailed budgets; income, expense, cash flow and net worth reports; and income tax estimates. Both programs produce solid reports, with Quicken offering almost twice as many pre-defined reports as Money (60+ versus 28).

Add-Ons

Other features offered by these programs are normally packaged as part of expanded or deluxe versions and come in the form of special add-on modules. Such additions include: IRA planners, retirement planning aids, insurance and mortgage on-line shopping directories, home & auto valuation tools, and home inventory collection assistants.

A Price History Chart in Money



Home inventory collection simply keeps a list of your personal possessions—fine jewelry, rare pieces of art, collections. If your personal possessions are either stolen or destroyed, an accurate inventory will help you file your claim. This feature allows you to enter specific tangible assets into pre-defined categories, with options for entering purchase price, date, depreciation, a description and the policy covering them. Both applications provide very similar home inventory collection tracking.

Quicken has more experience with

these extra modules and tends to revise their set of add-ons better—updating those that need updating and eliminating those few that do not go over well and therefore do not add the necessary value to their expanded version. Many of Money's add-on features are merely links found on their partner Web site (to be discussed below). However, one unique module is the Purchase Wizard, a bonus feature with the Money Deluxe 2000 that evaluates different ways to obtain money for big-ticket purchases.

To see how these two programs stack up in terms of the personal finance

A Price History Chart in Quicken



tasks they complete, see Table 1 at the end of this article.

Portfolio Management Features

When looking at the personal finance software marketplace, individual investors have few choices. This is not the case when it comes to portfolio management software for users running Windows. The current roster of portfolio management software programs is easily 10 programs deep. In the broader portfolio management market, programs are divided into two groups—advanced programs and general-purpose programs. This clear differentiation gives investors more flexibility and more choices. The high-end programs are powerhouse portfolio managers that concentrate on portfolio evaluation and fine-tuned portfolio and asset allocation analysis—such as the Captool software.

The general-purpose programs are viewed more as sophisticated recordkeepers. They adequately track a portfolio and also offer some portfolio analysis measures and return calculations, but primarily serve as advanced spreadsheets for recording buys and sells of securities. Quicken and Money are seen as being one of these general-purpose programs.

In the portfolio management software universe, Quicken and Money

Portfolio Holdings Gain/Loss Report in Quicken

Security	Shares	Cost Price	Cost Basis	Gain/Loss	Balance
2 CORP	1,000,000	20.00	20,100.00	-0.00	20,100.00
America Online	1,500,000	35.00	52,500.00	-0.00	52,500.00
Comcast	2,000,000	1.00	2,000.00	-0.00	2,000.00
Dell Computer	1,000,000	30.00	30,000.00	-0.00	30,000.00
Fidelity Investments	800,000	7.00	5,600.00	-0.00	5,600.00
United	2,000,000	20.00	40,000.00	-0.00	40,000.00
Verizon	1,000,000	8.00	8,000.00	-0.00	8,000.00
Wells Fargo	1,000,000	8.00	8,000.00	-0.00	8,000.00
Wells, Inc.	1,000,000	20.00	20,000.00	-0.00	20,000.00
Wells, Inc.	800,000	20.00	16,000.00	-0.00	16,000.00
Yahoo! Inc.	1,000,000	15.00	15,000.00	-0.00	15,000.00
Yahoo! Inc.	2,000,000	15.00	30,000.00	-0.00	30,000.00
Cash	107,050.00	1.00	107,050.00	8.00	107,058.00
TOTAL Investments			216,250.00	8.00	216,258.00

rank as solid programs, but in no way among the top-tier applications, in contrast to their status in the personal finance arena.

Two simple and yet very key features of a portfolio management program are the types of securities and transactions the program can handle. Both programs track a standard set of securities: cash, stocks, mutual funds, and bonds. Money goes beyond these slightly over Quicken to include coverage of warrants, real estate and partnerships. Money also does a better job

of security identification and categorization, where securities can be tagged using industry SIC codes.

Recordkeeping is a relatively easy task that can be conducted in a spiral notebook or a rudimentary spreadsheet you create in your basement. But a fine-tuned analysis of your holdings is an arduous task that should not be taken lightly. Errors can completely distort the picture of your financial prowess, and continually viewing your portfolio through defective lenses can prove very damaging. A portfolio management program rises above these kinds of errors and presents professional reports, generated using the data you entered.

Buying and selling a security, receiving a cash or stock dividend, and receiving interest income are the primary transactions you need to be able to record. In moving beyond these, both programs do a good job of offering additional transactions like margin purchases, short sales, and the reinvestment of dividends. Both programs also offer the three important security lot assignment methods—average cost, FIFO (first in, first out), and specific lot. Transactions and security lot cost basis methods are recorded as a wash in this comparison.

Data entry takes up a significant amount of your time when it comes to setting up a program to monitor an

A Monthly Performance Report from Money



investment portfolio. A complete purchase and dividend history must be entered for each security to produce accurate return calculations. This process is typically more of a burden for long-standing mutual fund positions with frequent reinvestment of dividends. The payoff for this effort is the automatic creation of a range of reports with a couple of mouse clicks. Reports can be as simple as a basic portfolio holdings report that breaks down the composition of your holdings or as sophisticated as an asset class performance report gauging the strength of, say, your foreign stock funds. Considering that broad spectrum of analysis, it is easy to see why reports are such a key component of portfolio management software.

Performance Reports

The basic reports found in most portfolio management software packages include: current holdings, holdings by lots, cash portfolio status, and two popular tax schedules (Schedule B for computing interest and dividends received from a portfolio and Schedule D for computing long- and short-term capital gains). All of these are present in both Quicken and Money. For the most part, the two programs are equally matched when it comes to these basic reports. However, Quicken does allow for reports to be customized (adjust column headings, choose data to be presented, etc.), which is a nice plus.

When it comes to performance reports, however, the two combatants clearly differentiate themselves.

Performance reports summarize how well your investment holdings have fared over a given time frame. They can analyze broad categories or concentrate on the smaller, fine points of your portfolio. A fundamental part of the portfolio management process is to determine and analyze performance—either using return calculations or performance reports.

Portfolio return calculations paint the clearest picture of how well your investment holdings have performed. Two different types of return calculations can be found in a portfolio man-

agement program—the value-weighted (also referred to as the dollar-weighted) internal rate of return (IRR) and the time-weighted rate of return. As explained above, the value-weighted internal rate of return is best for gauging the true performance of investment decisions you make. The internal rate of return is both a value-weighted and time-weighted calculation because it considers the time when inflows and outflows of cash occur, the amount of these flows, and the combined impact upon the overall rate of return. A time-weighted rate of return calculation ignores the impact of money flowing into or out of an account and paints a picture only of the security selection decisions.

The first key type of performance report is really three different reports that essentially do the same thing, but for three different portfolio entities. Security, industry, and asset class performance reports gauge the strength of each individual segment, but will also provide portfolio allocation analysis at the same time. Industry performance reports can analyze just the securities from a certain industry, say Internet stocks, while asset class performance reports can review the performance of a group such as foreign equity funds. The 2000 versions of both applications only provide security and asset class

performance reporting.

When it comes to reports and reporting capabilities, three optimal flexibility functions must be present: the ability to track multiple portfolios; the option of being able to test a portfolio over a known holding period as well as against a user-defined time frame; and the ability to adjust returns for taxes.

Most if not all investors track more than one portfolio—perhaps one for themselves and one for their spouse, or taxable versus retirement, or separate portfolios for each child. Programs with the capability to house multiple portfolios can easily address the diversified aspects of all your holdings for all your portfolios, rather than just those of one portfolio. A portfolio return for the current holding period examines the gain or loss from the time the security is purchased. Analyzing over designated periods, called between-period returns, allows you to monitor security performance during a known market environment, say a bull market period or a recession. To designate time frames, a program must be able to store snapshots of your holdings and values at specific points of time, not just the current positions and prices. When a program provides tax-adjusted returns, this simply means that it generates pretax and aftertax return figures. By automatically calculating the tax liabilities

Front Page of Quicken.com



A Web Interface Within Money Software



of your transactions, these programs can also report their impact on the rate of return of the securities and portfolios.

Unfortunately, these three functions are not found with the Money software and it is therefore clearly the weaker of the two when it comes to flexibility in portfolio evaluation.

To see how these two programs match-up as portfolio managers, check Table 1 at the end of the article.

Companion Web Sites

Quicken and Money software both have investment center partners stationed on the World Wide Web. Quicken has Intuit's flagship site Quicken.com (www.quicken.com) while Microsoft supports an investment site as part of its MSN Internet service network of sites, the popular and ever-changing MSN MoneyCentral (moneycentral.msn.com). Both sites are one-stop investment centers on the Web—offering analysis tools, research capabilities, company reports, market news archives, current and historical data, advice, and educational materials. Both sites are free to registered users. The MSN MoneyCentral Web site gets the nod when comparing these two programs' partnering sites. The Microsoft Web offering has greater depth of data and information and of-

fers a stronger set of analysis tools.

These sites are the younger, hyperactive siblings of the older, mature software programs. However, both software programs see the importance of change and the bright future of the Web and therefore have embraced their Web-based siblings as an older preschool sister would a little baby brother.

Our two programs have one last thread in common—they choose to not offer potential users a demo of their programs. (Microsoft Money just recently began to offer a free 90-day limited trial version download, which we will discuss later). Rather, they provide a Web-based test drive where potential purchasers can go through a virtual demonstration of the program and its features and functionality. The two firms use almost identical arguments to say that these demo sites allow users to truly experience the complete gamut of capabilities of the programs without getting lost in a demo program that has no manual and therefore no guidance. However, it seems to me that the two firms have certain agendas and are only showing you what they want you to see at these sites. Oh, and by the way, you can easily purchase both programs at their sites. Did I mention the firms having an agenda?

In any event, these sites are helpful, but do not make up for having a demo

file available. The Web test-drive experience is much like going to test drive a new car only to have the salesman drive it while you sit in the back seat.

Microsoft now offers a free 90-day limited trial of its Money Deluxe 2000 package. However, the trial is without sample data, lacks complete functionality when it comes to on-line banking and bill payment, and does not include the various add-on tools found in the complete Deluxe version. And you can only test the trial for the 90-day period—very limited indeed. But at least the demo option has been made available. One nice feature worth mentioning is that if you choose to purchase the Money Deluxe 2000 complete application, all data entered into the trial version can be imported into your new Deluxe program.

The test drive for Quicken can be found at the following address: www.shopintuit.com/quicken_store. Money can be tested out via an on-line tour or by downloading the 90-day trial at www.microsoft.com/money.

Splitting Hairs

Sometimes, when analyzing two specimens that are so much alike and try so hard to emulate each other, the weary lab assistant has trouble telling them apart and can even get the two confused. This is often the case with investors when it comes to selecting between these two software sample slides.

Where a choice is difficult, an investor often ends up picking the more familiar program or service. Most investors will just go with the firm with the bigger name—the one with the stronger brand name. But in this example, that method makes the selection even harder—do you go with the ever-popular Quicken program or do you side with the product offered by software kingpin Microsoft?

Emotional ties often factor into the equation, such as the Mac neophyte who feels protected from the Microsoft empire by their Intuit knight in shining armor. Neat freaks might feel compelled to purchase Money software just because it would go well with their Windows operating system home computer.

No matter what your rationale for

purchasing any software program or service to assist you with selecting and managing your investments, make sure it is the right one for you and your investment needs and that it closely matches your computer skill level. With this comparison, we have tried to provide an objective review of the two products, but our choice for which program is better is unavoidably subjective to an extent.

You may choose to agree with our assessment or not. However, if you do conduct your own analysis, be sure to use a similar set of program features to those we've highlighted here. The checkpoints we reviewed are core features for programs of this type, with some additions.

Crowning Our Champion

Table 1 provides a checklist tally of our head-to-head comparison and, as you can see, Quicken 2000 from Intuit is the Heavyweight Champion of the World—or at least the champion of this investment software comparison.

Find Out More

For more information about these two programs as well as other portfolio management software currently available to the individual investor, check out the new edition of "The Individual Investor's Guide to Computerized Investing," now available to all *Computerized Investing* subscribers on-line at AAll.com.

You will see reviews of portfolio management software programs—11 in all—as well as Internet-based portfolio tracking tools.

To access the CI Guidebook, simply go to www.aaii.com, click on *Computerized Investing* under Publications, and then select **CI Guidebook** listed under the CI Links. If you are prompted for authentication information to enter this area, simply type in your AAll member number (10 digits without spaces) for both Member ID and Password.

For a more detailed description of the CI Guidebook, see the back cover of this issue.

Each check in the personal finance and portfolio management sections rate one point. One-half point was awarded for each check in the companion Web site section.


The battle was a hard-fought one with both combatants executing their signature moves. But Quicken proved to be the better product on the whole.

The Heavyweight belt may be

around the waist of the Quicken program, but Money still remains a strong contender to the championship crown—at least until next fall's software releases.

Kenneth J. Michal is associate editor of Computerized Investing.

Table 1.
Rating the Programs

Quicken 2000		Money 2000
 <p>Quicken 2000 By Intuit, Inc. Macintosh, Windows \$34.95 (Basic); \$49.95 (Deluxe) (800) 446-8848 www.quicken2000.com</p>	<p>Personal Finance Features</p> <ul style="list-style-type: none"> ✓ Checkbook Register ✓ On-Line Banking ✓ On-Line Bill Payment ✓ Budgeting ✓ Taxes ✓ Financial Reports ✓ Additional Tools <p>Portfolio Management Features</p> <ul style="list-style-type: none"> ✓ Securities Handled ✓ Security Identification ✓ Transactions Handled ✓ Security Lot Assignments ✓ Basic Holdings Reports ✓ Performance Reports ✓ Return Calculations <p>Companion Web Site</p> <ul style="list-style-type: none"> ✓ Partnering Investment Web Site ✓ Guided Tour Web Site ✓ Demo/Free-Trial Download 	<p>Money 2000 By Microsoft, Inc. Windows \$34.95 (Basic); \$64.95 (Deluxe) (800) 426-9400 www.microsoft.com/money</p>
	12	9.5
	Total Points	

Scoring System: 1 point per personal finance feature; 1 point per portfolio management feature; 0.5 point per Web site feature