

Financial Wellness & Increasing Awareness

LIVING WELL – APRIL 2023

JRP
BENEFITS. PENSION. HR.

“
Worrying doesn't empty
tomorrow of its sorrows, it
empties today of its strengths.

- CORRIE TEN BOOM

Financial wellness is the ability to meet your financial needs, giving you a feeling of security about your financial future and the freedom to make choices that allow you to enjoy life. If you feel confident and secure in your ability to manage your everyday finances, cope with unexpected costs and plan for the future, you can significantly reduce the time and energy you spend thinking and worrying about money.

Staying financially strong in today's economy is challenging for most of us. It is important to recognize that financial wellness is closely linked to mental health, as money problems are a very common source of anxiety and stress. Financial wellness is one piece of our overall wellbeing.

The first step to your financial wellness is to define your realistic financial goals. From here, there are four main elements to financial wellness - Spending, Saving, Borrowing and Planning. Balancing these elements can help you achieve better financial health.

PLANNING



- ✓ Review your insurance needs - from life insurance to homeowner, renter and car insurance - to have a safety net should something unexpected happen.
- ✓ Organize your finances to minimize the amount of taxes you pay now and in the future.
- ✓ Review your financial plan at least every five years to evaluate where you are now financially and where you want to be in the next five years - answers to this question will factor into your spending, savings and borrowing goals and will help you determine what you need to do, or change, to achieve them.

SPENDING



- ✓ Spending our money is a necessity, the key is to make sure you are spending less than you earn.
- ✓ Understand how much you are spending and on what, then create a budget that works for you - if you do not know where to start, track your spending for three months then break your spending into categories and compare the total spent against what you earned.
- ✓ Practice 50/30/20 budgeting- divide your monthly after-tax income between 50% for needs, 30% for wants and 20% for savings.
- ✓ Always pay your bills on time to avoid late fees, interest and other negative outcomes such as a low credit score.

SAVING



- ✓ Saving money can give you security and peace of mind, especially when you have enough to cover unexpected expenses.
- ✓ Set realistic goals by reviewing your budget to determine what expenses you can eliminate and add to your savings, while continuing to take care of your usual expenses and planning for future events and the unexpected.

BORROWING



- ✓ You can borrow money and still achieve financial wellness if you have more good debt - such as a mortgage or a student loan - than bad debt - such as credit card debit and car loans.
- ✓ Have a plan for paying off debit as part of your budget, and never miss a debit payment.

Whatever your motivation is for seeking financial wellness, it will be easier to determine your path to success when you have a *destination in mind*.

Take time to determine your priorities, then work on a roadmap for the four main elements. And keep in mind that financial wellness does not mean you will have no moments of worry or adversity; however it does mean those moments are more manageable and less scary knowing that you can effectively move through them and return to a state of confidence and strength.

Your Benefits. Your Way.®

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