

# Financial Well-being

According to the Consumer Financial Protection Bureau, Financial Well-Being can be categorized into four groups

- 1 **Control**
  - Not living paycheck to paycheck
- 2 **Financial Capacity**
  - Budgeting skills
  - Establishment of credit
  - Emergency fund
  - Setting financial goals
- 3 **Meeting Goals**
  - Reviewing financial goals
  - Having diverse investments
- 4 **Flexibility**
  - Asking questions
  - Engaging in planning behavior
  - Executing a strategy

## What's Behind Your Financial Decisions?

- Understand how you feel about money
- Understand your life values
- Clarify your life goals and priorities



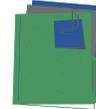
### Take Action

I will start using the SMART method to set up my financial goals.



## Get Organized

- Manage your financial documents
  - Collect your bank statements, tax returns, etc., and organize in a system that works for you
- Consider financial planning part of your normal routine



### Take Action

I will commit 30 – 60 minutes every week to think about my spending.

## Know Where Your Money Goes

- Recognize where your money goes using a spending plan
- Use the 50/30/20 rule
  - 50% for needs such as groceries, utilities, rent, and minimum payments
  - 30% for wants like concerts or eating out
  - 20% to savings

### Take Action

I will start tracking my spending by category: putting down all my credit card spending

I will start using the envelope system.

## Shop Smarter

- Create a list of items to purchase and stick to it
- Keep track of costs as you shop
- Try couponing but don't impulse buy just because something is on sale

### Take Action

I will make a grocery list so that I don't get sidetracked

I will compare prices and look for sales and off-season bargains

I will buy generic store brands at supermarkets

## Review & Reduce Debt

- Your total consumer debt payments should be less than 20% of your net income
- Cut unnecessary expenses and prioritize your debts

### Exercise

My monthly net income is \$\_\_\_\_. If I multiply my Monthly income by 0.20, then the amount of payments per month that I should not exceed is \$\_\_\_\_\_.

### Take Action

I will ask my credit card company about "Hardship programs".

### Build Your Credit

- Consider opening a secured credit card or secured loan
- Check your credit report
- Don't carry a balance more than 20% of your limit
- Try to pay off your card balance in full each time the bill comes in



#### Take Action

- I will check my credit report at [annualcreditreport.com](http://annualcreditreport.com)

### Understand Your Taxes and Benefits

- Tax deductions could reduce your taxable income while tax credits provide a dollar-for-dollar reduction of your income tax liability
- Employers could provide insurance, retirement plans, tuition assistance, and more!



#### Take Action

- I will check my employee benefits with my employer

### Save For Your Future

- Start a retirement income planning program ASAP: the longer you leave your money, the more you will gain

#### Take Action

- Pay myself (3% of my paycheck) first
- I will save 30% of my tax refund toward my retirement savings
- I will put my raises toward my savings
- I will think about rolling over my retirement to an IRA

### Invest Money To Reach Your Goals

- Use automatic deductions & the help of your employer to supercharge your savings
- Rollover retirement money if you switch jobs
- Diversification reduces anxiety
- Don't dip into your retirement
- Start Now!



### Create a Spending Plan

- If you want to move forward on a financial goal, you may want to use the following framework to get thinking about how to achieve your goals!
- Whats Your plan?
  - Make a vision statement
  - Write down your goal and the actions you need to complete to achieve it
  - When are you starting your goal and when do you want to complete it by?

## Take Action Today!

Not sure how to start your financial journey? Visit our site to learn more about our services [HERE](#) or click the link below to schedule a free financial coaching session with us.

**Book a Free 15-Minute Session**