



# Plan for Financial Wellness

## CHALLENGE

Make smart  
money  
decisions

### Requirements to Complete this HEALTH CHALLENGE™

1. Read "Plan for Financial Wellness."
2. To complete the challenge, make smart decisions about your money on at least 22 days this month.
3. Keep a record of your completed challenge in case your organization requires documentation.

**W**hether you're rich or poor, or somewhere in between, money is the leading cause of stress for most adults. And that's a problem that can affect your health and your life. People who experience frequent financial stress are 33 percent more likely to have a heart attack, according to the INTERHEART study. And money matters are the leading cause of divorce, according to a study published in the journal *Family Relations*.

Seventy percent of adults live from paycheck to paycheck. In a recent survey, only 34 percent of Americans said they could tap their savings account for \$1,000 in case of an emergency or unexpected expense. The rest said they would have to borrow from family or friends, use a credit card, or cash-advance service. And even if you've got a well-paying job, won the lottery, or received an inheritance from a rich uncle, you've still got to manage your money wisely. Take some time to evaluate your financial situation. Learn to make smart decisions about spending and saving. And take control of your finances to improve your health and your life. This month, give your financial health a check-up and take the challenge to Plan for Financial Wellness.



### Take the Financial Wellness Quiz

How much do you know about spending, saving, and managing your money? Take this quiz to find out.

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1.   Do you have a budget and track all your monthly expenses?
2.   Do you spend less than 25 percent of your income on your rent or mortgage?
3.   Do you have an emergency fund to cover at least three months of living expenses?
4.   Are you paying credit card balances in full every month?
5.   Do you have money left over after paying your bills?
6.   Are you saving for retirement?



If you answered "No" to any of these questions, you may benefit from learning more about managing your money. A recent Gallup poll found that only 32 percent of adults follow a monthly budget, and many people aren't saving for retirement. Learning to make smart money decisions can reduce stress, improve your health, and your savings account.

Source: Virginia Society of Certified Public Accountants.

### Financial Fitness Matters

In a 20-year study of ordinary people with a net worth of more than \$1 million, researcher Dr. Thomas Stanley conducted thousands of interviews with school teachers, police officers, plumbers, entrepreneurs, and other working professionals. His goal was to identify financial habits, behaviors, and attitudes, to create a formula for building wealth. But he found that financial wellness was really based on following a few simple strategies over a long period of time. Spend less than you earn. Avoid buying overpriced cars, property, products, and services. Learn to make smart financial investments. And save for a rainy day.

If you want to improve your financial fitness, take an honest look at your budget (if you have one) and your spending habits. It's a lot like getting a physical or completing a fitness test to evaluate your health and find out where you can make improvements. Set some financial goals for yourself like increasing your income, getting out of debt, buying a house, taking a vacation, or saving for retirement. Then develop short-term and long-term goals to help you get there.

Taking steps to improve your financial fitness will also improve your health, your relationships, and your quality of life.

# Here are 10 ways to Plan for Financial Wellness:

## 1. Spend less than you earn.

Charles Dickens was right when he penned the words for the debt-imprisoned Wilkins Micawber in his book *David Copperfield*: “Annual income 20 pounds. Annual expenditure 19 pounds, 19 shillings, and six pence: result, happiness. Annual income 20 pounds. Annual expenditure 20 pounds nought and six, result, misery.” Following a budget, and spending less than you earn will help you reach your financial goals faster than winging it.

## 2. Pay off credit card debt.

The average U.S. household has \$15,270 in credit card debt, according to recent data from the U.S. Federal Reserve. If you made the minimum payment of \$611 a month on this amount and never charged anything else, it would take you more than 15 years to pay it off. At 18 to 25 percent interest, credit cards are usually the most expensive form of debt. Pay off your balance every month, or at least plan to pay more than the minimum.

## 3. Pay yourself first.

An estimated 25 percent of U.S. adults don't have any money in savings. But if you want to improve your financial health, you've got to pay yourself first. Saving a little every month will help you reach your long-term goals.

## 4. Save six months of living expenses.

You can't predict a job loss, illness, or injury that could put a stop to your income. Personal finance experts recommend setting aside enough cash to cover six months of living expenses to help you weather unexpected financial challenges.

## 5. Complete a will.

This is a basic rule of financial wellness for all adults, especially if you have dependents. However, more than half of U.S. adults die without a will. If you want to protect your family and financial assets, get help from an attorney to help you complete a will.



### Budget Planning

Stick to a budget to control expenses and save for a rainy day.

<http://tinyurl.com/785vmyx>

### Get Your Retirement Savings on Track

Find out how to successfully save for retirement.

<http://tinyurl.com/o3s8vt9>

### The Truth About Credit Card Debt

How long will it take to pay off your credit card debt?

<http://tinyurl.com/clxake>



### Know Your Debt-to-Income Ratio

Your debt-to-income ratio lets you compare your debts to your income and assets. If your debt-to-income ratio is higher than 50 percent, see a financial planner or debt counselor for help.

<http://tinyurl.com/4u23u92>

### Get your free credit report

Your credit report may be used when you apply for a credit card, loan, insurance policy, professional license, and by some employers. Review your credit report at least once a year.

<http://tinyurl.com/l27e9fw>

CREDIT REPORT  
Your Credit Score  
500? 600? 700?

Experian  
TransUnion  
Equifax

## 6. Ask an expert.

Making big decisions about buying a home, investing, and saving for retirement can be tough to do on your own. Get help from a financial planner to help you make informed decisions that will affect your future.

## 7. Save for retirement.

Over 62 percent of Americans retire with less than \$10,000 in annual income, according to the U.S. Census Bureau. But you'll probably need more than that to enjoy your senior years and cover medical costs. Start saving for retirement early. Take advantage of any tax-deductible contributions you can make through payroll deduction to grow your 401(k).

## 8. Plan for major expenses.

If you know buying a house, getting a new car, or sending a kid to college is in your future, set money aside to make those costs easier to handle. Insurance to protect your health, assets, and family, is also an important part of financial wellness.

## 9. Keep on learning.

Learning more about money matters will help you make better decisions about financial management, investing, spending, and saving. You can also learn new skills that can help you increase your income.

## 10. Give your financial health a check-up.

At least once a year, review your credit report. Take some time to evaluate your budget, debts, and investments. Review your goals, and make any necessary adjustments to stay on track.

Making decisions about money isn't always easy. But if you take the time to Plan for Financial Wellness, you'll be happier, healthier, and better off as you age.

Sources: *The Lancet.*; *Family Relations.*; *National Foundation for Credit Counseling.*; *U.S. Census Bureau.*; *U.S. Federal Reserve.*; *Wellness Council of America.*



# Plan for Financial Wellness

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 money  
 decisions

### Instructions

1. Post this calendar where you will see it daily (bathroom, kitchen, bedroom, etc.).
2. Record the number of days you make smart decisions about your money.
3. Use the calendar to record the actions and choices you make to help planning for financial wellness become a regular part of your life.
4. At the end of the month, total the number of days you made smart decisions about your money. You must do this on at least 22 days this month to complete this challenge. Then keep up this practice for a lifetime of best health.

MONTH: _____							HC = Health Challenge™ ex. min. = exercise minutes
SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY	Weight & weekly summary
HC [ ] ex. min. _____	HC [ ] ex. min. _____	HC [ ] ex. min. _____	HC [ ] ex. min. _____	HC [ ] ex. min. _____	HC [ ] ex. min. _____	HC [ ] ex. min. _____	
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\_\_\_\_\_ Number of days this month I made smart decisions about money

\_\_\_\_\_ Number of days this month I got 30+ minutes of physical activity such as brisk walking or biking

### Other wellness projects completed this month:

\_\_\_\_\_

\_\_\_\_\_

Signature \_\_\_\_\_ Date \_\_\_\_\_

