WELLNESS

PHYSICAL · MENTAL · SOCIAL

GEHA

FINANCIAL WELLNESS

Financial health and overall well-being are more connected than you may think. We've all experienced some form of stress in our lives at one point or another. But, did you know that stress resulting from financial challenges is often chronic? High levels of financial stress manifest through physical symptoms like sleep loss, anxiety, headaches or migraines, compromised immune systems, digestive issues, high blood pressure, muscle tension, heart arrhythmia, depression and feelings of being overwhelmed.

Let's closely examine how we can improve our financial wellness. This begins with improving our financial literacy. Financial literacy is the knowledge you need to manage money wisely. This includes understanding the current economic environment, being aware of your financial standing, and knowing where to get the information and tools you need, when you need it.

These eight steps can help you develop financial wellness.

STEP 1

GET ORGANIZED

This is the first step in taking control of your financial situation.

Getting organized is physical and emotional. Set up easy to-use filing systems for all your financial information. Take time to emotionally deal with your financial situation. Being honest with yourself is important. Accept what the numbers are showing you and take accountability for your own habits. Be sure to let yourself decide what the best filing system looks like. What works for your friend or partner may not be the best system for you!

STEP 2

DEVELOP GOALS

Before you think about setting goals, review the five parts of SMART goals.

S | specific. Pinpoint something you want to change to achieve.

M | measurable. Measure or count a SMART goal.

A | achievable. Set realistic goals. Aiming too high can lead to frustration.

R | rewarding. Reaching the goal should be a reward for your hard work.

T | trackable. Set milestones and schedules for your goals.

Develop short-term, mid-term and long-term goals, reviewing them regularly.

- **Short-term** financial goals take under one year to achieve. Examples may include taking a vacation, buying a new refrigerator or paying off a specific debt.
- **Mid-term** financial goals can't be achieved right away but shouldn't take too many years to accomplish. Examples may include purchasing a car, finishing a degree or certification or paying off your debts.
- **Long-term** financial goals (over five years) may take several years to accomplish. As a result, these often require longer commitments and more money. Examples might include buying a home, saving for a child's college education or a comfortable retirement.

STEP 3

LEARN ABOUT FINANCIAL SERVICES.

Educate yourself about the financial products and services you use.

Review the terms of each product from each financial service provider. This includes bank accounts, insurance policies, credit cards and other financial products. Ask questions if you don't understand the terms.

STEP 4

CREATE A BUDGET AND SPENDING PLAN.

Budgets and spending plans serve as road maps.

They provide direction and clarity. Setting a budget doesn't have to be complicated. You don't need expensive software or a computer to begin budgeting. Take time to calculate your expenses.

STEP 5

PREPARE FOR THE LONG TERM.

Take steps to prepare for your retirement.

Uncle Sam does provide Social Security, but that barely covers basic needs (food, shelter, security). You will need to find other ways to supplement retirement funding. Consider investing in a 401(k) or 403(b) plan at work. Review all health plan options to determine what is best for you and your family. Take advantage of your employer's resources to find retirement and healthcare benefit options you can utilize.

STEP 6

MAXIMIZE YOUR EMPLOYEE BENEFITS.

Typically, employee benefit programs provide more than just health care.

You can be more effective with your money by having a complete understanding of your employee benefits package.

STEP 7

BUILD YOUR EMERGENCY FUND.

An emergency fund acts as self-insurance to protect yourself and your assets against unexpected financial emergencies.

Emergencies come in all shapes and sizes. When one eventually does, you can breathe easier knowing you have the means to cover any financial burden. Common financial emergencies include sudden loss of employment, appliances needing repair, your car breaking down or large medical bills.

STEP 8

TRACK YOUR FINANCIAL PLAN.

Finally, you need to commit yourself to actively maintaining your financial plan.

Personal financial planning should be an ongoing process. Make the most of your plan by updating it at least once every three months. Unexpected changes can happen quickly, so frequently visiting your plan will keep you focused on achieving your financial goals. Be sure to update your plan as significant life events occur.

Source: *The National Wellness Institute*

Explore more at the Chiefs Wellness Program homepage »