

First Steps to Financial Wellness

Help to reduce stress now and in the future by taking the step toward creating financial wellness

Finances can be stressful! Studies show that over half of the population experience finance-related stress on a regular basis. The good news is that you can combat feelings of stress by taking first steps towards improving your overall financial wellness.

So, what is financial wellness? Simply put, it is your relationship with money. We have all learned habits for money management through either family, friends, or even professional advice. Financial wellness also includes plans that you may (or may not) have in place that impact you financially. When you are working to improve your financial wellness, you are working on improving your relationship with money.



To assess your current financial wellness, the National Financial Educators Council suggests a few questions to ask yourself:

1. Are you financially prepared for emergencies?
2. Do you have a budget you stick to?
3. What is your attitude toward money?
4. When you think about money, does it make you feel uneasy or make you happy?

These questions can help identify areas that are a good place to start on building financial wellness.

Here are 5 tips to help as you begin taking these first steps:

1. **Create a monthly budget.** A budget is important to help you manage your spending within your means. It can also assist you with identifying problem areas. There are many free budgeting methods and templates available, choose one that will work best for you to use consistently. It's ok to start simple and develop a habit of reviewing your budget on regular basis, adjusting as needs change.
2. **Build an emergency fund.** Emergencies are inevitable, so it is best to have a plan. It is recommended to have 3-6 months of your take-home salary in savings for your emergency fund. Start by reviewing your budget to see what you can put into your savings each paycheck to work towards your goal amount. Even if you need to start small you are taking steps in the right direction.

3. **Track your spending.** This can be part of your budgeting tool, or you might choose to use a tracking tool. There are many free templates online to choose from. It can be easy to lose track of your spending: Amazon purchases, daily coffees, all add up. Tracking can help you identify ways you could be saving more money. Setting a limit for spending within your budget and sticking to it each month can help to increase savings and decrease stress.
4. **Pay off debt.** Debt is a huge burden and a significant stressor for many people. Make a plan and stick with reasonable ways to work towards reducing debt. There are several methods for paying off debt that can be found online. Or talk with a finance professional. Find the approach that works best for you that you can stick with.
5. **Ask for help when needed.** It can be difficult to ask for help, however this can be essential to your financial well-being. If you are having difficulty due to loss of income or other financial needs, often lenders and financial institutions have resources available that can assist you. Make sure to ask about any associated costs for these programs. Calling Ulliance and talking to a counselor can also help to identify hidden barriers to financial wellness and can be a first step in addressing related needs.

Remember that financial wellness is an ongoing process. You may not be where you want to with your finances right now, however taking the right steps towards getting there can help you start to see positive change-not only in your finances, but also through decreased stress. The key is identifying what will work for you and then being consistent. Taking that first step today will help you improve your financial wellness in the future.

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for you & your family.**

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