

Financial Wellness

For most of us, the days of working for one employer our entire career and retiring with a generous pension that pays for most retirement expenses, along with 100% employer-funded healthcare benefits will never occur. The average life expectancy in the U.S. is approximately 78 years and it is likely that this number will rise to the mid-80's through advancements in modern medicine, technology and innovations in prevention and lifestyle modification. With 80 million baby boomers retiring steadily in the next 20 years, it is likely that Social Security will not provide the safety net it once did. Therefore, people need to save many years before retirement in order to provide enough money for their retirement years – which could be 25 or more years. Here are 10 vital steps to help you get your financial “house” in order so you can build a solid financial foundation.

10 Steps to Financial Wellness

- 1. Review your current financial situation.** Examine your monthly cash flow. Keep track of all your expenses to determine how you spend your money. If you notice your monthly cash flow is negative, or that it's not high enough to reach your savings and investment goals, look at your discretionary spending habits – dining out, entertainment, transportation, clothing and groceries. Once you've determined what you spend your money on, you can determine where to trim unnecessary spending so you can have money left over to save or invest.
- 2. Live beneath your means.** Living by this rule will allow you to stress less about money and reach your financial goals faster.
- 3. Master your debt.** Examine your current use of credit cards. Commit yourself to paying off your credit card balances whenever possible.
- 4. Save six months of living expenses** to deal with unexpected financial storms.
- 5. Understand and fully utilize employer-sponsored benefits.** Fund company-sponsored savings plans like 401k to the maximum. Find out if your employer is offering financial incentives for participation in wellness programs to promote your health and well-being. Healthy employees will help to control skyrocketing healthcare costs. Contact your Human Resources Department if you have questions about your benefit package.
- 6. Purchase adequate insurance** (car, home, life, health) to protect you and your family from unexpected events that can cause you financial distress.
- 7. Seek wise counsel.** Consider the services of a fee-only financial planner. Employee Assistance Programs (EAP) may also help with financial management.
- 8. Plan major expenditures.** If you are planning to buy a house, car or finance your kid's college education, take the time to make a plan to reach your desired goal.
- 9. Educate yourself.** Knowledge is power. Read financial publications or consider taking a basic course on financial planning or investing.
- 10. Evaluate your progress annually.** List the value of what you own and owe. The difference between the two numbers is your net worth. Save and date this list and compare it to your current year's progress. You'll be surprised at how much difference a year makes in your finances.



For more information regarding Sensia Healthcare's Wellness Programs, contact John Lerand at 414-359-9440 or email him at: jlerand@sensiahealthcare.com.

Source: Adapted from WELCOA and Jeff Rubleski's book, "The 10 Steps to Financial Wellness."

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