



Achieving Financial Wellness

# Introduction to Financial Wellness

Chapter 1, Lesson 1



**Welcome to the Health Advocate Achieving Financial Wellness Workshop!** In this workshop, we will address the key components of financial wellness such as making a budget, managing credit and debt, and money management skills with the goal of saving. We invite you to take what you learn and apply it to your current financial situation. Taking small action steps can help you build financial security and stability over time.

## What Is Financial Wellness?

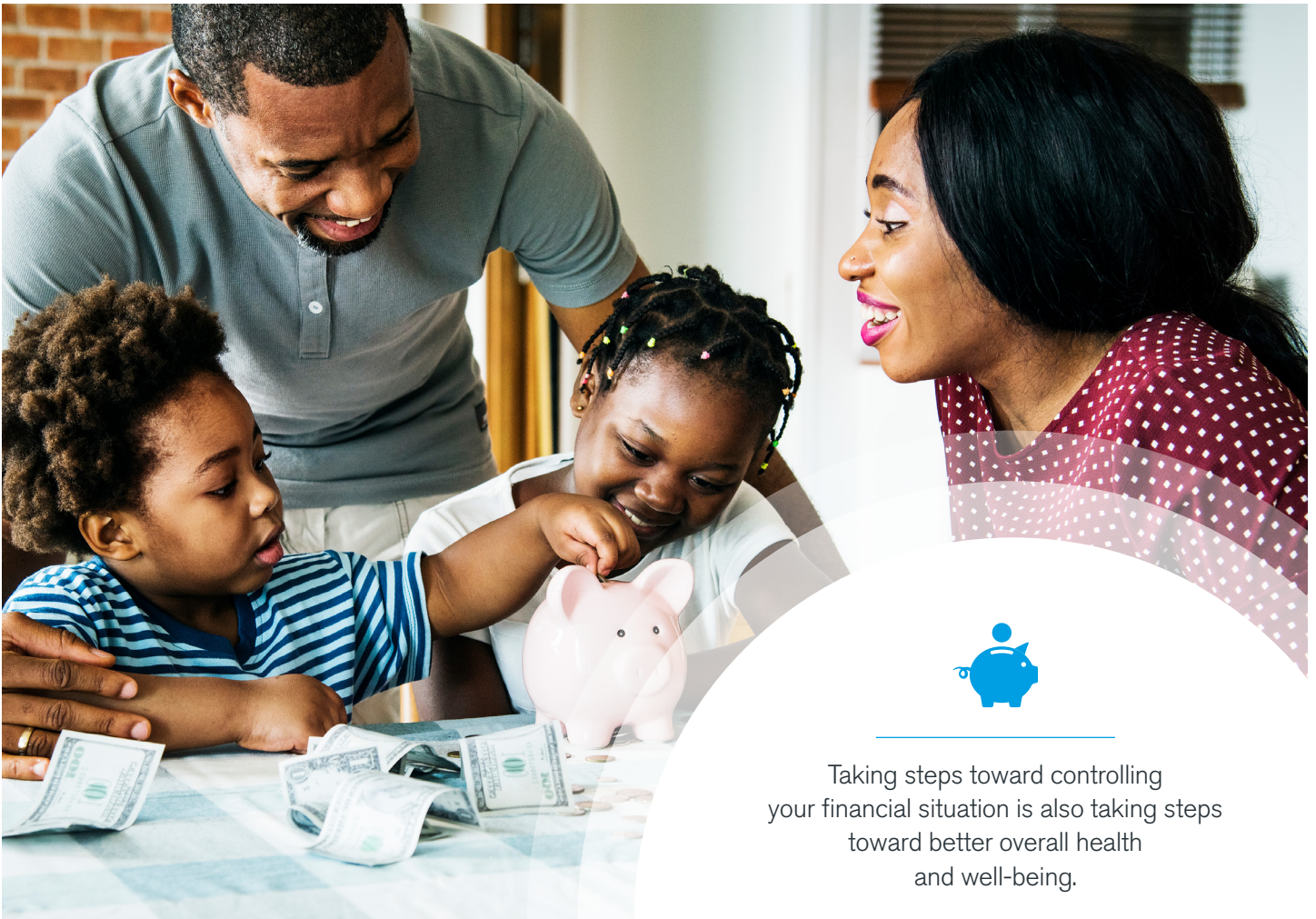
It's helpful to spend a moment thinking about what financial wellness means to you. The definition of financial security and stability may differ for each of us, but for the purposes of this workshop, we will consider the goals of financial wellness to be:

- Understanding your financial situation
- Building security in all areas of your personal finance
- Being able to live within your financial means
- Saving money for the future

## Understanding Your Finances

There are certain areas of your financial health that may be outside of your control. For instance, your income may be fixed. But the most important factor in your financial wellness is how you allocate your resources.

Every day you make choices on how to spend your hard-earned money, and every penny you spend on something discretionary is a penny you could be choosing to save. For example, spending \$3 for a daily latte may seem insignificant, but that's \$1,000 that you could be saving over the course of a year!



Taking steps toward controlling your financial situation is also taking steps toward better overall health and well-being.

## Why Is Financial Wellness So Important?

It is well documented that stress caused by a poor financial situation can lead to serious health effects including anxiety, depression, ulcers, substance abuse, digestive disorders, muscle pain and insomnia.<sup>1</sup>

Stress isn't the only way that your financial wellness can impact your health. There is a strong connection between physical health, lifestyle habits and your ability to save and spend money. For example, if you purchase a coffee every day, not only are you adding extra calories, fat and sugar to your diet, which can have negative health effects over time, you're also spending an average of \$3 per day.

The amount of money you have also may determine your access to healthcare and leading a healthy lifestyle, especially in retirement.

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## Action Step #1: Determine Your Financial Goals

Determine your goals and priorities. Here are examples of some common financial goals:

- Accumulating savings for a rainy day fund
- Buying a house
- Getting out of debt
- Paying for your children's college education
- Saving for retirement

## Tips for Determining Your Financial Goals

- Identify your goals and their significance to you.
- Having specific goals will help you focus your efforts on those that are most important.
- Rank your goals and determine those which require attention first.

## Next Steps

1. **Read and complete** "Reflecting on Your Financial Goals"
2. **Calculate** your net worth
3. **Take** the Chapter 1 Quiz



### Sources

1. Substance Abuse and Mental Health Services. Protect Your Mental Health During Stressful Financial Times. SAMHSA.gov
2. FINRA. Financial Capability in the United States National Survey. SEC.gov