



4 Steps to **IMPROVED** Financial Wellbeing

Financial wellness can mean different things to different people. In general, though, it is a state in which you can pay your bills, cover unexpected expenses, and save for long long-term goals like retirement. Achieving financial wellness can help to ease your mind and relieve money money-related stress.

1 Create a budget. A budget will help you differentiate between needs and wants, identify unneeded spending, and plan for short- and long-term goals.

2 Build an emergency fund. If you can't cover the unexpected costs that inevitably come up (car repairs, medical bills, etc.), it will be challenging to gain financial ground. Most experts recommend setting aside three to six month's worth of living expenses. If that seems overwhelming at first, aim for one month's worth at first.



3 Pay off credit card debt. Once you have an emergency fund, start to pay off any credit card or other high interest interest-rate debt. One method is to begin with the debt that carries the highest interest rate, and pay it off as aggressively as you can. Then move to the debt with the next next-highest interest rate.

4 Save for retirement. The sooner you start saving for retirement, the better. While this looks different all over the world, it's important to understand what you have access to in your country:

[Retirement Plans From Around the World \(investopedia.com\)](https://www.investopedia.com/articles/retirement/2014/01/retirement-plans-around-the-world-140101.html)

[An essential guide to building an emergency fund | Consumer Financial Protection Bureau \(consumerfinance.gov\)](https://www.consumerfinance.gov/consumers/articles/essential-guide-to-building-an-emergency-fund/)

[Financial Wellness | How Is Financial Wellness Defined? \(annuity.org\)](https://www.annuity.org/financial-wellness/how-is-financial-wellness-defined/)

[Budgeting: Financial Wellness -Northwestern University](https://www.northwestern.edu/faculty/staff/financial-wellness/)

How to **CURB** Impulse Spending

Impulse spending can derail financial goals quickly, getting a handle on your money habits is an important part of your financial wellbeing.

Give yourself an allowance Giving yourself an allowance on a weekly or monthly basis makes it less likely that you will need to tap into your primary account for miscellaneous purchases.

Manage stress Stress can lead to impulse purchasing. If retail therapy is one of your stress-management strategies, it might be time to consider some alternatives. Learning how to successfully manage stress will have a positive effect in other areas of your life as well.

Reconsider Before making an unplanned purchase, ask yourself this question: What could I do instead? Consider alternatives to fix a problem or meet a need without having to make a purchase.

Establish a cooling off period Consider instituting a cooling off period to postpone unplanned purchases. Make it a rule to wait 24 to 48 hours before you buy and create a "wish list" for the items you are thinking about buying.

Stay aligned with your goals Keep a photo in your wallet of something that reminds you of your financial goals. Staying connected to your goals can be a big motivator and might just help you keep your spending in check.



How to **BUILD** your budget

1 Track your expenses. First, understand how you are currently spending your money.

2 Put your spending into categories. Examples include housing, food, transportation, utilities, cellphone, clothing, entertainment, etc.

3 Add up your income. Next, add up your household's monthly take-home pay. (After taxes, insurance, and other deductions.)

4 Calculate the difference. Subtract your monthly expenses from your monthly income.

If there is money left over, put as much as you can toward your first and most important financial goal

https://www.researchgate.net/profile/Michael_Wood20/publication/222623095_SocioEconomic_Status_Delay_of_Gratification_and_Impulse_Buying/links/5b0c0eb1a6fdcc8c2535291f/Socio-Economic-Status-Delay-of-Gratification-and-Impulse-Buying.pdf

<https://www.psychologytoday.com/us/blog/hijacked-your-brain/201312/howavoid-impulse-buying>

[How to Make a Budget and Stick to It | Family Finance | U.S. News \(usnews.com\)](#)