Employee Health & Wellness Training ADVISOR

LivingRight®

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March 2020

Financial Health

Ease the strain of financial stress

Perhaps money can't buy love, but it just might bring heartburn.

The strain of financial worry can lead to headaches, an upset stomach, sleep troubles, and even colds or flu. It can also contribute to depression and chronic conditions such as heart disease.

To reduce the symptoms of financial strain, you need to take steps to take control of your finances:

Create a plan. Make a list of the bills that are gnawing at you. Track what you spend, create a budget, and pay off dept.

Involve the family. Write down ideas for reducing expenses.

Leave debit and credit cards at home. Avoid impulse buys by bringing only a budgeted amount of cash.

Ask for help. Talk to your credit card or utility company about payment plans. Look into financial education programs. ♦

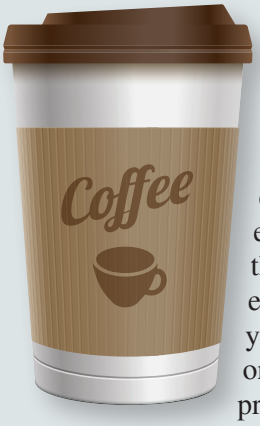
3 sensible ways to keep your budget on track

A written budget not only shows you where your money is going, it holds you accountable for what's being spent. Here are some ways to keep expenses in line:

1. **Take the free entertainment challenge.** Brainstorm with family members to find fun, free events and activities. Options might include tennis at a local park, a bike ride around town, a trip to the local library, or concerts in the park.
2. **Pay attention to what you're watching.** Online streaming and cable expenses can add up. Cancel services you don't use.
3. **Map out your meals.** Plan a week of meals to enjoy at home rather than grabbing dinner at a fast food restaurant. ♦

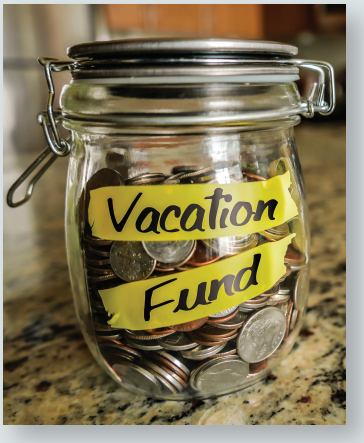
This month, coffee Next month, the world?

A budget might sound like a restriction on your spending, but it can give you the freedom to splurge as well as the power to say "no."



With a budget, you prioritize discretionary expenses. This means that you don't need to eliminate something you want to splurge on, you just need to prioritize it.

For example, if you love drinking latte, it might be something you work into your budget once a week rather than every day (if it's high-calorie, this is better for your health as well).



You could take some of the money you're saving and put it into a vacation fund for a weekend getaway at a nearby resort or an exotic trip further down the line. Looking forward to this reward can help you stay on track. ♦

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Anatomy of a budget

A budget is an estimate of how much you will make and spend over a set period of time. It's based on monthly income and expenses, and is often done before the month starts.

Creating a budget involves two basic steps:

1. Writing down all sources of income.
2. Deciding where your money will go.

Income

Include how much you bring home in your paychecks as well as income from investments, child support, or gig work.

Job	
Financial support	
Other income	

Expenses

Look at the things you will be spending money on.

You have less control over these:

Housing	
Electricity, gas, water	
Transportation	
Childcare	
Groceries	
Debt payments	

You have more control over these:

Phone/Internet/Cable	
Entertainment	
Eating out	
Clothing	
Gifts	
Other	

After listing income and expenses, subtract expenses from income.

Income _____ – Expenses _____ = _____

If you have money left over (income is more than expenses):

Add a savings category to your list of expenses. Save toward goals such as a new home, car, vacation, or retirement.

If expenses are more than income:

Look at expenses you can control to see where you can cut back. Do you need to eat out less this month? Cut back on a hobby? Look for a new phone or Internet provider?

Your income minus expenses should equal 0.

Income _____ – Expenses _____ = ___0___

Need more information?

If you're not sure where your money is going each month, use a spending tracker (we've included one as the LivingRight activity this month). Write down the amount of each purchase to get a clear picture of your spending habits. Next month, use this information as you prioritize your spending.

Putting the brakes on

If you are consistently going over budget in certain categories, try using the envelope system. For example, if you budget a certain amount for clothing, gifts, or eating out, place that amount of cash in an envelope at the beginning of the month. When the envelope is empty, do not spend any more in that category until the next month. ♦

By the Numbers

60 percent of Americans have stress about money.

Source: Stress in America 2019, American Psychological Association

Next Month's Topic:

Eating Right

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