



# FitBiz Watercooler Wellness

## January - 2020 Edition

### GET FINANCIALLY FIT! – Tips for Achieving Financial Wellness

It's no surprise today that most of us are dealing with some level of financial stress, especially this time of year when bills have piled up and credit cards have been maxed out to pay for holiday gifts. Wages aren't keeping up with the cost of living, savings are low, student debt is high, and healthcare costs are rising. The beginning of the New Year is a great time to reflect on your current financial situation and set your financial goals for the year ahead. To help improve your financial wellness and take hold of your finances in 2020, follow these personal finance tips from the experts:

- 1. Develop a budget:** Plan for your spending by developing a budget and live within your means based on your monthly income. Make adjustments to remain within your budget, and don't use a credit card to cover a shortfall or unnecessary purchases that you don't need.
- 2. Know where your money goes:** Be aware of how you are spending your money. A \$5 cup of coffee five days a week costs you \$100/month. Review items you spend your money on and keep copies of receipts, pay stubs, banking information, and other documents important to your financial situation.
- 3. Include savings in your budget and plan for major purchases:** Pay yourself first! Treat your savings account like any other monthly bill by making a monthly payment toward it. Adjust your budget accordingly to build savings for your next major purchase without using credit.
- 4. Save for emergencies:** A good plan is to have a minimum of six months' salary available in your savings account. While this may seem daunting and unrealistic, a small savings is better than nothing. The goal is to have cash reserves to cover most emergencies that come along.
- 5. Protect your credit:** You have the right to pull free credit reports and should immediately report any issues or discrepancies you might find. Use your credit wisely by paying your bills on time, paying off your credit cards in full each month, and don't open too many new credit cards at the same time. Doing so can raise red flags to lenders that you are just looking for cash and you might accumulate a significant amount of debt.
- 6. Plan for retirement:** Take advantage of interest and market upturns by saving for retirement early. Often your employer will help you save for retirement with a 401(k) plan. You can also benefit from pre-tax contributions using this method of savings.

