WELLNESS WORKSHOP

MONEY RESOLUTIONS

January 18th, 2023

LEARNING OBJECTIVES

2023

POINTS FOR DISCUSSION

- What are the most common money resolutions?
- How do we manage our financial stress?
- How do we create long lasting goals?

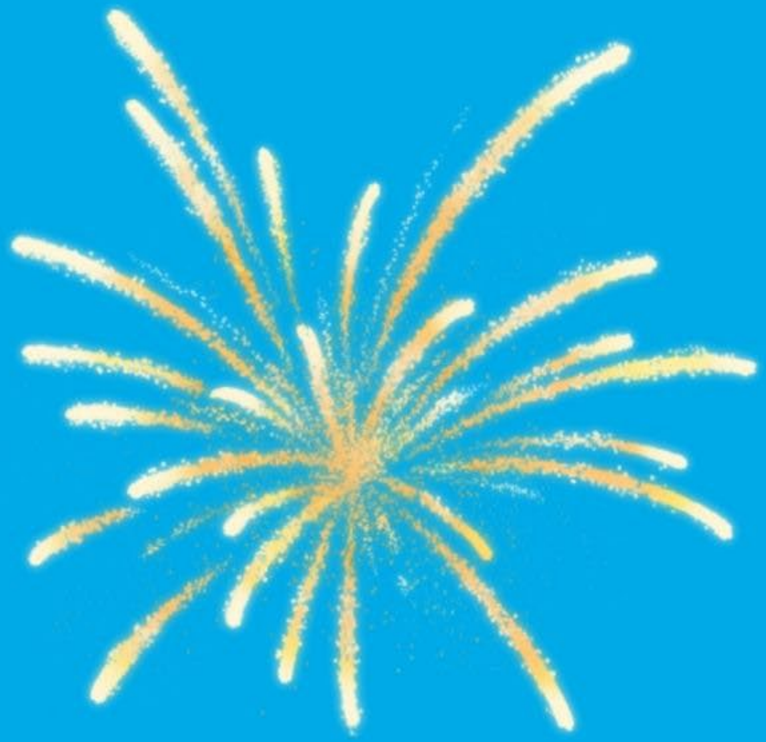
NEW YEARS RESOLUTIONS

HOW IT STARTED

The ancient Babylonians are said to have been the first people to make New Year’s resolutions, some 4,000 years ago. They were also the first to hold recorded celebrations in honor of the new year—though for them the year began not in January but in mid-March, when the crops were planted.

NEW YEARS RESOLUTIONS STATS

- 38.5% of US Adults set New Year’s resolutions every year
- 59% of young adults (18-34) have New Year’s resolutions
- 48% want to exercise more



Financial Resolutions included:

- Save more money
- Pursue a career ambition
- Do more charity work
- Raise money for a charity

https://insideoutmastery.com/new-years-resolution-statistics/

Why it's good to make resolutions

INTENTION	HOPE & ENGAGEMENT	RESPONSIBILITY	INSPIRATION
Being honest with yourself and your situation. Intentionality will contribute to your happiness and fulfillment.	Making resolutions is hopeful and optimistic. Positive thinking tends to motivate action. Optimism is doubly beneficial -- contributing to your own mental health and positivity on those around you.	Most resolutions have impact on others - they affect families, friends, colleagues, and communities. Consider the broader responsibility.	When you want to be better, you inspire others! People learn through experiencing the behavior of others -- inspiring others around you!

https://www.forbes.com/sites/tracybrower/2021/12/31/4-reasons-to-make-new-years-resolutions-even-if-you-dont-keep-them/?sh=22e47dee66a1

MANAGING FINANCIAL STRESS

WHAT IS THE DEFINITION OF FINANCIAL STRESS?

“A condition that is the result of financial and/or economic events that create anxiety, worry, or a sense of scarcity, and is accompanied by a physiological stress response.”

HTTPS://FINANCIALHEALTHINSTITUTE.ORG/LEARN/FINANCIAL-STRESS/

MANAGING FINANCIAL STRESS

WHAT DOES IT FEEL LIKE?

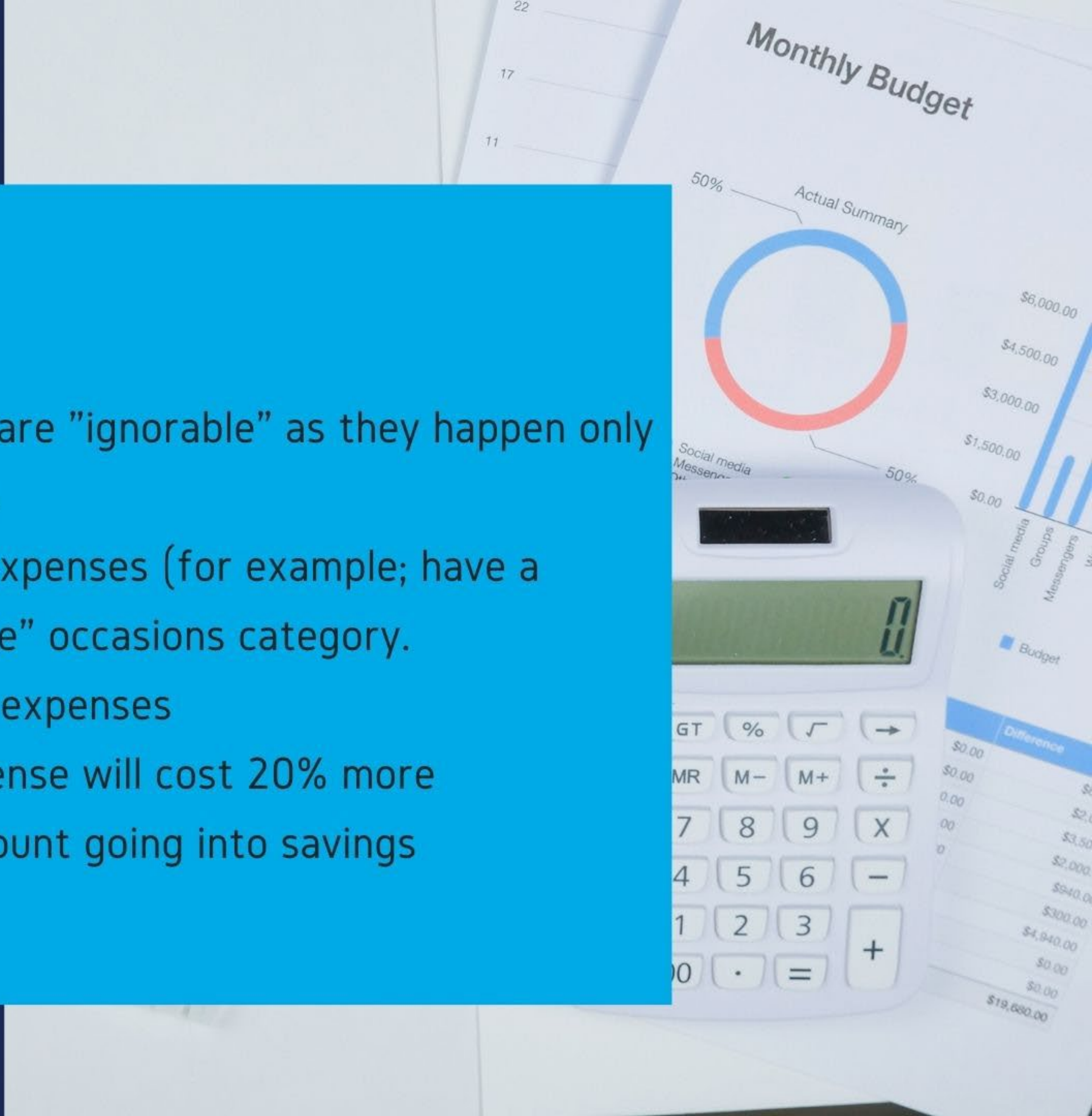
- Financial stress can lead to anxiety, depression, behavioral changes like withdrawing from social activities, or even physical symptoms like stomachaches or headaches

HOW TO MANAGE FINANCIAL STRESS?

- Create a spending plan or budget
    - Track one expense that might be causing you stress
- Engage in self-care
    - Go for a walk, try to relax and unwind
- Reach out for support to a trusted individual or financial professional

https://www.verywellmind.com/understanding-and-preventing-financial-stress-3144546

BUDGET HACKS



WHAT TO DO

- As humans we believe some expenses are ”ignorable” as they happen only ”one time” in a lifetime or time period.
- We need to plan and reclassify those expenses (for example; have a birthday/celebrations/special/”one time” occasions category.
    - research shows it leads to reduce expenses
- <u>Simple rule of thumb:</u> assume the expense will cost 20% more
- Automatic payroll percentage or $ amount going into savings

https://hidden-brain.simplecast.com/episodes/money-20-why-we-bust-our-budgets-HgL5OwI9

REPAYING DEBT

STATE OF CONSUMER DEBT

Credit card balances increased by $38 billion dollars - 15% year-over-year increase in credit card balances represent the largest in more than 20 years. (Q3, 2022)

In 2022, 35% of Americans took on holiday debt, the average amount this year is $1,549

SNOWBALL DEBT

Powerpay.org is a free consumer website that you can use to create a debt reduction strategy based on interest rates or amount of debt.

HTTPS://WWW.NEWYORKFED.ORG/NEWSEVENTS/NEWS/RESEARCH/2022/20221115
HTTPS://WWW.LENDINGTREE.COM/CREDIT-CARDS/STUDY/HOLIDAY-DEBT/

WHAT IS FINANCIAL BURNOUT?

Financial burnout is similar to job burnout, but its causes and symptoms are different

SIGNS OF FINANCIAL BURNOUT?

Feeling anxious and/or overwhelmed

No energy to check in spending and savings goals

Ignore monthly finances by not opening your financial apps

Stopping or skipping payments

Feeling hopeless, as though you will never get to a place of financial stability

It feels like at this point, no one can help

HTTPS://WWW.NASDAQ.COM/ARTICLES/WHAT-IS-FINANCIAL-BURNOUT-AND-WHAT-CAN-YOU-DO-TO-ALLEVIATE-IT

ALLEVIATE FINANCIAL BURNOUT

- START SMALL
- FIND A MONEY MANAGEMENT SYSTEM THAT WORKS FOR YOU
- CHECK IN ON YOUR CREDIT SCORE
- SET A MONTH MONEY APPOINTMENT WITH YOURSELF
- TALK TO A PROFESSIONAL

HTTPS://WWW.NASDAQ.COM/ARTICLES/WHAT-IS-FINANCIAL-BURNOUT-AND-WHAT-CAN-YOU-DO-TO-ALLEVIATE-IT

FPG OFFICE HOURS

ONE ON ONE WITH A CREDENTIAL FINANCIAL PROFESSIONAL

CONFIDENTIAL AND PRIVATE

FREE TO ALL EMONEY EMPLOYEES

CREATING LONG LASTING GOALS

SETTING GOALS

- Understand your why
- Begin with small steps
- Create SMARTER goals

S = SPECIFIC

M = MEASURABLE

A = ACHIEVABLE

R = RELEVANT

T = TIMEBOUND

E = EVALUATE

R = READJUST

ASK RELATED QUESTIONS TO HELP UNDERTAND WHY THAT FINANCIAL GOAL IS IMPORTANT

Ex: Having an XX amount in emergency savings is important to be prepared for the unexpected.

UNDERSTAND HOW YOU WILL ACHIEVE YOUR FINANCIAL GOAL

Ex: Finding ways to earn more and spend less (cancel unused subscription, meal prepping, automate savings from your paycheck,)

TRACK YOUR PROGRESS

There are many online tools that can help track your progress. Review outcomes and readjust.

LASTLY, BUDGET, BUDGET, BUDGET!

50 - 30 - 20

- 50% needs / 30% wants / 20% savings
- Flexible plan
- Need to be clear on needs versus wants

ZERO- BASED BUDGETING

- Give every dollar a job
- Income - Expenses = Make it Zero
- Intensive effort needed

OTHER TECHNIQUES

- Fidelity: 50% take-home income for essential expenses/ 15% pre-tax income for retirement savings (including employer contributions/ 5% of take-home income for short-term savings)
- 60% Solution: 60% towards committed expenses, 40% to savings and other expenses
- Cash-only or envelope- method: use only cash for expenses and allocate specific cash budgets

KEEP IN MIND EMPLOYEE BENEFITS AS PART OF YOUR SAVINGS

- **eMoney's 401k**
  - **Assuming you have met the requirements, on the 1st of the month following 90 days of service and 21 years of age, you are automatically enrolled in the eMoney 401(k).**
    - **The automatic enrollment feature means that if you take no action on your eligibility date, you will be automatically enrolled, contributing 6% of your salary on a pre-tax basis and this will automatically increase by 1% on January 1st of each year until you reach 15%.**
  - **eMoney will match 100% of the first 1% of salary that is deferred (contributed).**
  - **eMoney will then match 50% of each additional 1% of salary deferred (contributed), up to 6% maximum**
- **HSA**
  - CONTRIBUTION LIMITS

	Employee Only Coverage	Employee + Dependents
EMPLOYEE MAX*	$3,850	$7,750
EMPLOYER MAX	$900/year	$1,200/year

*Employees age 55 and over may contribute an additional $1,000 annually as a “Catch-Up” contribution

THANK YOU!

HAPPY 2023!