Home Alone: Defending Your Finances

eMoney

FPG Wellness

FRIENDLY REMINDERS

FPG OFFICE HOURS

SURVEY

Agenda:

- Protecting your mental health
- How did the McCallister Afford their 15-person vacation
- Tips on budgeting and getting your finances ready for 2024


This is my house,
I have to defend it.

How to deal with stress

Take deep breaths and practice relaxation techniques.

Make time for hobbies and activities that you enjoy.

Get enough sleep and maintain a healthy lifestyle.

Mental Health and Finances

Mental health and financial well-being are deeply intertwined in our overall health and happiness.

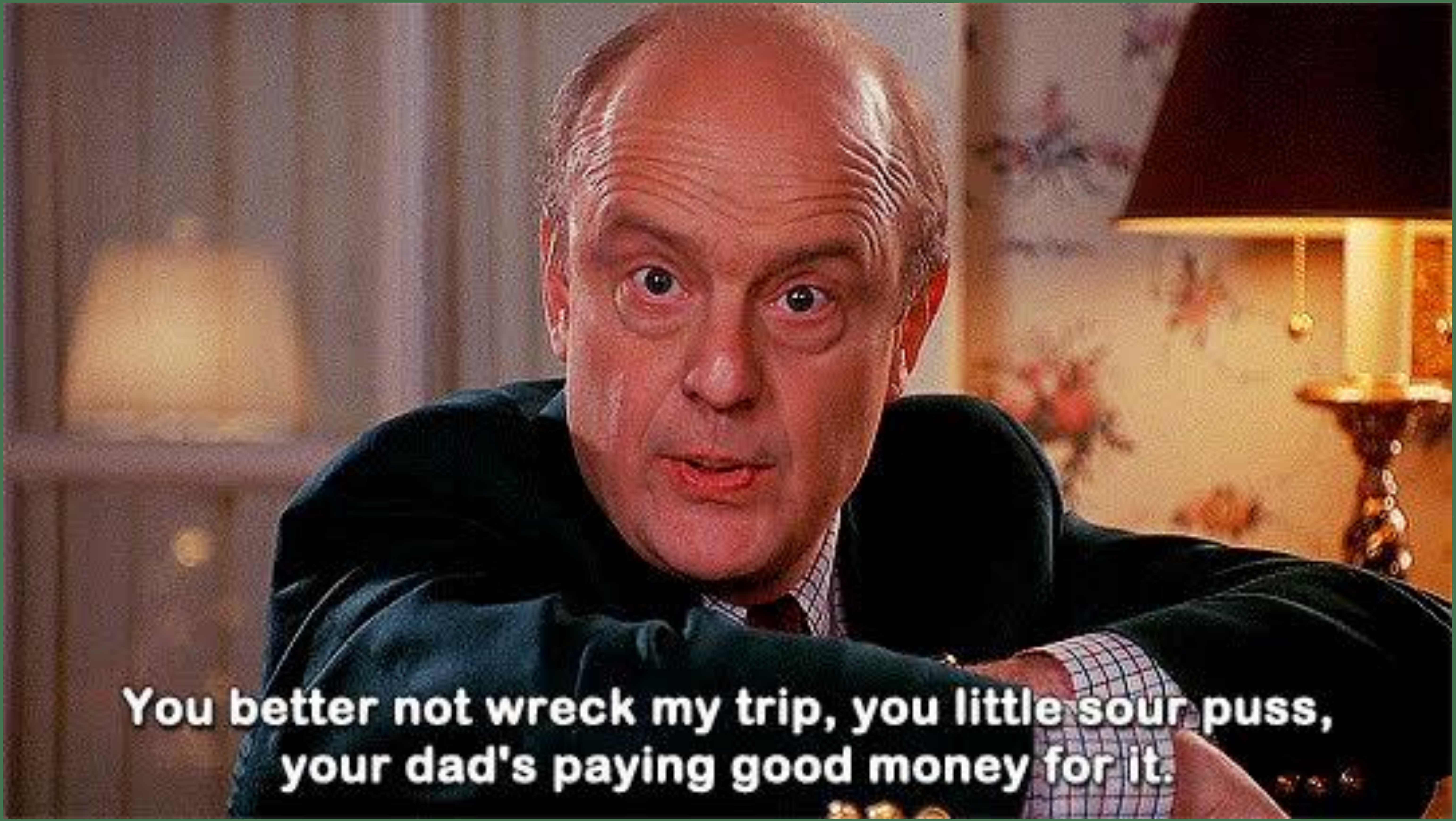
Neglecting one will impact the other.

Appreciate the teachable moments

Mental Health and Finances

- Set regular financial reviews
- Mobile therapy
- Meet with a financial professional

Case Study of the McCallister Family's Trip to Paris



Case Study

2023 Trip to Paris	December 20 - January 2
Transport to Airport (2 Vans)	$1,188/2 - 14 Passenger Mercedes Sprinter Vans
11 Round Trip Tickets Coach	$12,936 $1,176/per person
4 Round Trip Tickets First Class	$19,972 $4,993/per person
10 Boxes of Pizza	$225 (Ordered from Marco Roma)

Timely Travel Tips recap:

Having the right travel partner(s) can greatly increase your travel experience. (Nawijn, 2011)

Budget for:

- Pre-Vacation costs
- Transportation costs
- Accomodations
- Activities/Excursions
- Unexpected Costs
- Splurges
- Add-on fees

"You can be too old for a lot of things,

"but you're never too old to be afraid." – Marley

budgeting can be scary...

“92 percent of Americans over 18 said nothing makes them happier or more confident in life than when their finances are in order”.

-According to Northwestern Mutual's 2019 Planning and Progress Study

Budgeting can reduce the physical symptoms of stress.

Budgeting may support healthy immunity.

Budgeting can help fund your healthcare.

Budgeting can help you not overextend yourself.

Budgeting can help you build the life you wish to live.

Budget hacks....

research shows it leads to reduce expenses

- 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.
- Simple rule of thumb: assume the expense will cost 20% more
- Automatic payroll percentage or $ amount going into savings

Budgets

Zero-Based Budgeting

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

50-30-20

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

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

How Kevin Saved Money

- Kevin improvised with household items to protect his home.
- He cooked his own meals instead of ordering takeout.
- Kevin found creative ways to entertain himself without spending money.

- Prioritize needs over wants
- Avoid impulse purchases

Avoiding Impulse Purchases

- Wait 24 Hours Before Purchasing
- Write a Post-it Note
- Delete your Credit Card Info from Retailers/Wallet
- Allow for Discretionary Spending

https://www.realsimple.com/work-life/money/saving/how-to-stop-impulse-buying

Money Resolutions Recap:

Why it's good to make resolutions:

- **Setting intentions**
- **Creating hope and engagement**
- **Responsibility for self & others**
- **Inspire 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

Savings Recap:

Save Automatically

- Start Small
- Keep it Securely

Save for the Unexpected

- Save Automatically
- Set a Goal
- Flip the Switch

Saving for Major Milestones

- Define your Savings
- Set the Goal(s)

Paying Down Debt is Saving

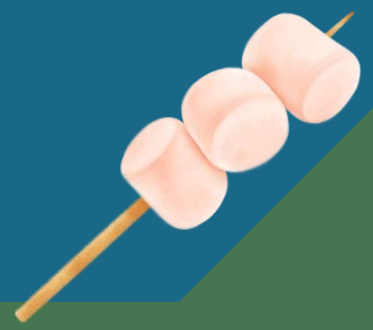
- Make a list
- Use a method
- Be mindful

Saving at Any Age with Children

- Start Early
- Make it Fun
- Research shows it’s important!

Behavioral Money Hurdles Recap:

Hyperbolic Discounting:
Inclination to choose immediate rewards over rewards that come later in the future, even when these immediate rewards are smaller



Herd Mentality:
A herd instinct is a behavior where in people join groups and follow the actions of others

Loss Aversion:
The response to losses is stronger than the response to corresponding gains

Why are We So Emotional about Money? Recap:

of adult Americans report feeling stress about money

When we get emotional due to stress our brains actually shut off our ability to think logically or coherently.

- We don't listen as well
- We have shorter fuses and often feel impatient
- We tend to obsess about the past and/or worry about the future

How to reduce financial stress:

- Mindfulness exercises
- Meditation
- Breathing techniques
- Being active (taking walks)
- Exercise (like yoga)
- Doodle or Color
- Continue to build your knowledge about finances
- Ask for help – FPG Office Hours!

Creative activities to do at home

- DIY home decorations using low cost or recycled materials.
- Learn new recipes and cook meals from scratch.
- Start a garden or grow herbs in your kitchen.
- Set aside items that can be re-gifted
- Gift homemade gifts or experiences from the kids to relatives

JUST LIKE KEVIN MCCALLISTER, YOU CAN DEFEND YOUR FINANCES AND MANAGE STRESS BY TAKING SMALL, INTENTIONAL STEPS EVERY DAY.

eMoney Resources

FPG Office Hours

Visit Life@eMoney > FPG Wellness > 2023 Workshops

Thank you for letting us share some tips on saving money and managing stress inspired by the movie Home Alone.

Happy Holidays!