



October 2022: Money 101: How to Get Ahead



“A wise person should have money in their head, but never in their heart.” – Jonathan Swift

Welcome to the **October 2022 edition of TotalWellbeing**, your guide to the [8 dimensions of wellbeing](#). This month we are looking at tips for assessing and getting ahead on your finances.

Money is always a touchy subject. Money can be a huge source of both good and bad things in your life depending on your relationship with it. One thing that can always help regardless of your financial situation is keeping track of how your money is working for you and making sure to think a few steps ahead of your spending and investing. Check out the tips below to take a financial check-up, and 5 ways to get ahead financially this year and beyond.

Please remember that your EAP is here for you if you need to address money issues or just need to talk to someone. You have access to free and confidential financial coaching, free telephonic financial consults, online budget tools, and more. Plus an online resource library full of proactive self-help tools! Visit [PersonalAdvantage](#) for helpful articles, financial calculators, legal and financial forms, budget sheets, and more!

To your total wellbeing,
The MINES Team

A Financial Wellness Check-up in 11 Steps

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Wellness, at its core, means being in a good place. It can apply to a person's physical, mental, and even financial state. And yes, as nebulous as the concept might seem, a person's wellness can be measured.

But what does wellness actually mean in terms of a person's overall financial health? And if financial wellness can indeed be measured, how to go about it? "Wellness is very personal," explains CERTIFIED FINANCIAL PLANNER™ (CFP®) professional, Marguerita M. Cheng, who heads Blue Ocean Global Wealth in Gaithersburg, MD. "Everyone has their own needs, goals, and dreams. It's making sure you are on track to do what is important to you and gives you peace of mind that financially, you're covering your needs, you're supporting your values, you're on track to meeting your goals and you're in a position to fulfill some of your dreams and wishes."

Just as there are certain basic indicators — weight/body mass, blood pressure, cholesterol level, to name several — to measure a person's physical wellness, there are certain measurements to assess a person's overall financial wellness. And as important as it is for people to periodically get an assessment of their physical wellness, so, too, is it critical that they periodically take stock of their financial well-being. The following checklist provides a starting point for conducting your own financial wellness checkup.

___ **Personal balance sheet.** List all your assets (investments inside and outside retirement plans, cash accounts, home/real estate, and other assets), minus your liabilities (debts, chiefly, including mortgage and other outstanding loans, credit card balances, etc.), to determine roughly what your net worth is. This helps you see where you stand in the big picture.

___ **Household cash flow.** To determine your cash flow, figure out your total income, then subtract your expenses. This helps you see whether you're living within your means, identify discretionary areas where you may be able to curb spending and figure out ways to allocate more toward meeting your highest priorities.

___ **Debt.** Are you able to pay down credit card balances wholly each month? Or, do you struggle to pay off those balances and feel like debt is managing you instead of the other way around?

___ **Saving toward goals.** Are you making enough progress in setting aside funds to meet your short- and long-term goals — things like buying a car or a home, taking a vacation, funding a child's education, and funding your own retirement?

___ **Cash reserve/emergency fund.** Do you have an adequate amount of readily accessible "just-in-case" cash set aside for emergencies —

preferably enough to cover at least three to six months' worth of household expenses?

__ **Asset allocation.** Is your mix of assets, including investments, retirement plan holdings, bank account holding, etc., appropriately diversified for your circumstances, stage of life, needs, and goals?

__ **Credit score/rating.** Have you reviewed your credit score and credit report lately? When seeking to secure a loan, open a credit card account or take other important steps, your credit score can work for you or against you. Not only can a review of your credit report identify potential identity theft, but it can also help you identify steps to strengthen your overall credit score. It's therefore important, says Cheng, to check with the major credit bureaus, Experian, TransUnion, and Equifax, on an annual basis to see where your credit score stands. Visit www.annualcreditreport.com to access a free credit report.

__ **Insurance.** Are you and your family adequately protected financially from risks to health and property? Which type of insurance do you need, and how much coverage should you have? If others depend on your income, do you have life insurance and disability insurance? If you're a homeowner, do you have an adequate amount of homeowner's coverage? If you rent, is your renter's insurance coverage adequate? Is your health insurance coverage adequate? How about auto insurance? And could you benefit from other forms of insurance, such as an umbrella policy, long-term care insurance, professional liability insurance, or identity theft protection?

__ **Workplace benefits.** Are you taking full advantage of the core and voluntary benefits to which you have access via your job? If your employer offers matching retirement plan contributions, are you taking advantage of them? Are there voluntary benefits you should be considering, such as discounted group life insurance or disability insurance? If you're part of a high-deductible health plan, are you taking advantage of the tax-favored Health Savings Account that goes with it? If your employer offers an Employee Assistance Plan, are you tapping that resource?

__ **Key documents.** Do you have a will in place and up-to-date, along with other important estate documents, such as powers of attorney and medical directives? Also, are beneficiary designations on insurance policies, retirement plans, and bank accounts up-to-date?

__ **Support and guidance.** Do you feel like you have a strong handle on all the key aspects of your financial life — basically, the 10 areas referenced above? Are there areas you'd like to address to improve your overall financial wellness? If so, you could benefit from the guidance, perspective, and advice of a financial expert. Not only can working with a financial

professional improve your financial wellness, but it also gets you an actual financial plan — a professionally authored plan detailing how to maintain your financial well-being over the long run.

Please remember that your EAP is here for you if you need to address money issues or just need to talk to someone. You have access to free and confidential financial coaching, free telephonic financial consults, online budget tools, and more. Plus an online resource library full of proactive self-help tools! **If you need additional information or to access services, please call MINES and Associates at 1-800-873-7138 today.** Also, [PersonalAdvantage](#) has a ton of great resources and FREE [webinars](#).

Five Ways to Get Ahead Financially

When it comes to your personal finances, getting and staying ahead is crucial. All too often, an unexpected bill, car repair, or even a trip to the vet with your pet can derail your best attempts to stay financially strong. Fortunately, there are workplace resources and steps you can take to get ahead financially so you're prepared for whatever comes your way.

Utilize Mines' Employee Assistance Program (EAP) financial counseling benefits for free help. Your EAP can connect you with a financial counselor to coach you and help you to get your finances in order. The financial coach can work with you to create a personalized plan outlining steps to get ahead such as establishing an emergency fund, paying down debt, boosting your credit score, and maximizing your retirement plan contributions.

Establish an emergency fund. Experts suggest having between six and nine months' worth of expenses saved in an easily accessible account in case of an emergency. To reach that goal, deposit a portion of your paycheck directly into your emergency account. Be sure to make a list of those 'emergencies' that justify using your emergency funds so that you don't deplete your savings on 'nice to have items' and not true emergencies.

Many clients send money each month to their emergency savings account, but end up raiding those funds constantly for everyday expenses. If you find you need to withdraw your savings monthly, work with a financial coach to determine the ideal amount to add to your emergency savings account without sacrificing the money you need to make ends meet.

Pay down debt. Concentrate on one credit card at a time – the one with the highest interest rate - and make the minimum payments on all your other credit cards. Try to designate extra funds to pay down the credit card you are focused on, for example, when you get a raise at work, send those

funds to pay down the credit card. Also, try forgoing dining out for one week and send the funds you saved directly to your highest interest credit card instead. You can make multiple payments to your credit cards throughout the month.

Boost your credit score. Well before you buy a car or a house, be sure that your credit score is the best it can be. Although timely payments are crucial for a good credit score, your utilization rate (the balance as a percentage of your card's credit limit) is also important. Try to keep each card's utilization rate below 30% so that it doesn't drag your credit score down. For other ways to boost your credit score, contact a financial coach for personal guidance.

Maximize retirement plan contributions. Increase your retirement savings now and you'll reap the benefits when you retire. Be sure to contribute at least as much as your company's retirement plan contribution match so that you don't forfeit 'free' money. For extra retirement savings, consult with a financial coach to determine the best strategy for your situation.

Getting ahead financially can reduce your stress and provide peace of mind. If you would like assistance, contact Mines for free financial coaching.

Michelle Vullo is an Accredited Financial Counselor with Enrich Finance. She provides free financial counseling sessions for employees eligible for MINES and Associates' EAP services. Call MINES at (800) 873-7138 or visit [online](#) and request sessions with Michelle at Enrich.

If you or a member of your household needs assistance or guidance on any of these wellbeing topics, please call MINES & Associates, your EAP, today for free, confidential, 24/7 assistance at 800.873.7138.

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