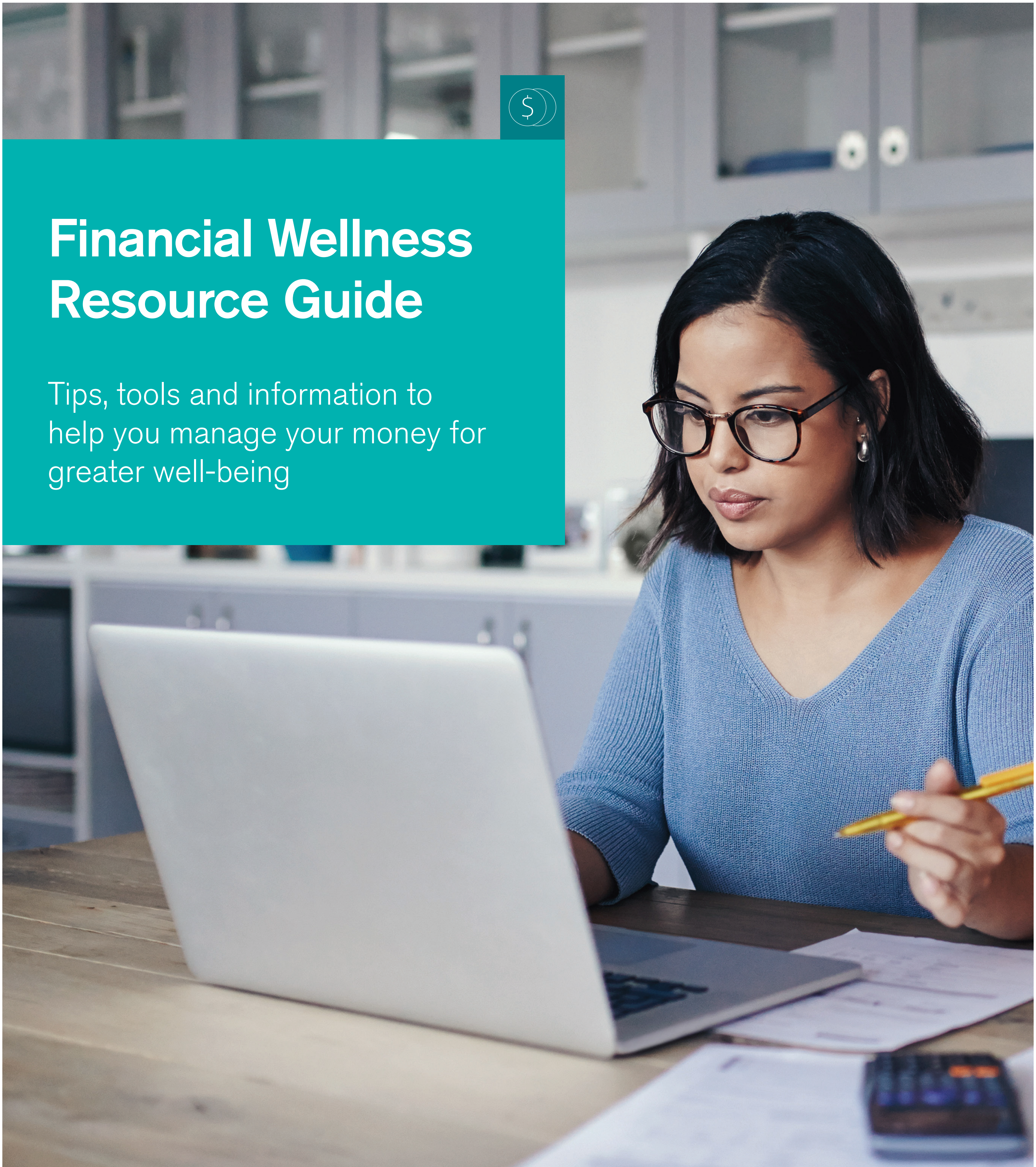
Financial Wellness Resource Guide

Tips, tools and information to help you manage your money for greater well-being



HealthAdvocate℠

Mind Your Money for Better Health and Well-Being

Are you stressed about your financial situation? If so, you're not alone. Millions of people of all ages are uneasy about their finances, including those who are living paycheck to paycheck or who are unable to pay debts, unprepared for an unexpected event, or who can't afford to reach short- and long-term goals, whether it's buying a house, funding college or planning retirement.

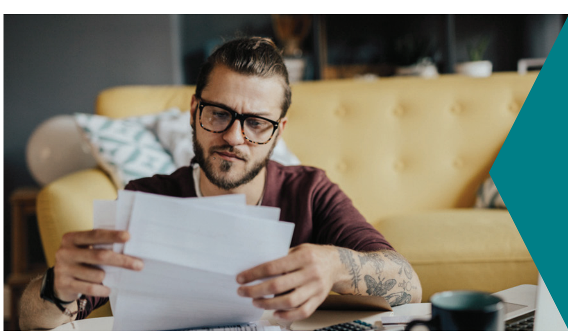
Stress caused by a poor financial situation is closely tied to physical and emotional health, and can lead to anxiety, depression, ulcers, substance abuse, digestive disorders, muscle pain, insomnia and more.

On the other hand, using strategies to manage your finances can help enhance your well-being and peace of mind.

While most people want to gain the know-how to handle finances confidently, the information can be overwhelming. It's not always easy to know where to start or who to turn to for guidance.

No matter what stage of life you are in, this Financial Resource Guide offers basic, easy-to-understand steps as a starting point to help you achieve financial wellness. Here you'll find practical tips and easy-to-read information about budgeting, identifying your spending habits and ways to cut back, how to manage credit and debt, set and save for your goals, and different investment options to help make your money grow.

Most importantly, you'll also find the right resources for more comprehensive information. This includes how Health Advocate can help you and your family cope with financial stress and connect you to financial experts for a one-on-one consultation. Additionally, further information and downloadable forms and worksheets can be found on the Health Advocate member website.



Did you know?

7 out of 10 American workers say financial worry is their most common cause of stress. More than 80 percent say it's affected their productivity.

Start Taking Control: Track Your Money

Better money management starts with knowing how much you are bringing in, being mindful of exactly how you are spending your money right now on your "needs vs. wants," and how it impacts your goals. Even if you have overspent or are deep in debt at the moment, understanding and tracking your income and spending can help you make decisions to create a budget to become more financially stable. Here's the place to start:

What's Coming In?

You can use the budgeting worksheet in this booklet or try one of the free online tracking apps such as Mint, Wallyby, LearnVest, or PocketGuard, to help you with the following tasks:

- **Identify how much income you bring in each month.** This includes your salary, interest from investments, gifts and other miscellaneous income such as alimony or child support payments.
- **List your necessary expenses** such as insurance, bills, food, rent or mortgage, transportation, etc.
- **Figure in your optional expenses** (discretionary expenses) such as dining out, cable TV, gifts, entertainment, trips, etc.

Where's Your Money Going?

Are you surprised that you're coming up short each month? Here's how to gain reliable insight into your spending habits:

- **Check your credit card, debit card and bank statements.** Your bank might enable you to see a breakdown of expenses. Are you typically charging day-to-day expenses instead of paying cash? It's easier to mindlessly use a charge card to overspend than if you use cash. Are you receiving the next month's bills before you paid the last month's bills?
- **Keep track of every penny you spend—those "little" purchases add up fast!** Use a tracking app, or a notebook to jot down every item you purchase. Note the date and time.
- **Note your spending patterns and the emotions and triggers behind them.** Are you more likely to make impulse purchases on certain days or during certain times of the day, or when you're feeling upset, sad, tired or hungry? Once you know your triggers you can come up with strategies to outsmart them, as you will discover in this booklet.

Learn to Budget, Not Bicker

Fighting over money is a common source of stress among many couples. Try these tips:

- **Dedicate a monthly "money talk" time slot.** Set up a distraction-free time frame each month to pay the bills and review your goals.
- **Start tracking your current spending.** Track your money as a couple and individually.
- **Decide together what goals you want to save for and what items to spend your money on.** From there, it can spark creative ways to cut back.
- **Share equally in the role of money manager and decision-making.** Agree to what types of purchases should be made independently, and which ones should be decided on together—usually these are the more costly items.
- **Volunteer an idea** of a financial sacrifice you each can make to contribute toward mutual savings goals.
- **Don't bring non-financial issues into the discussion.** Take a time-out if things get overheated, and make a commitment to revisit the money talk later.

Did you know?

Following a budget long-term has been linked to building wealth and getting out of debt—but only 40 percent of American families use a budget!

Make a Budget

Use this worksheet to see how much money you spend this month. Then, use this month's information to help you plan next month's budget.

Some bills are monthly and some come less often. If you have an expense that does not occur every month, put it in the "Other expenses this month" category.

Month	Year
Income	
Paychecks (salary after taxes, benefits, and check cashing fees)	$
Other income (after taxes) for example: child support	$
Total monthly income	$

	My expenses this month	
Housing	Rent or mortgage	
	Renter's insurance or homeowner's insurance	
	Utilities (like electricity and gas)	
	Internet, cable, and phones	
	Other housing expenses (like property taxes)	
Food	Groceries and household supplies	
	Meals out	
	Other food expenses	
Transportation	Public transportation and taxis	
	Gas for car	
	Parking and tolls	
	Car maintenance (like oil changes)	
	Car insurance	
	Car loan	
	Other transportation expenses	
Health	Medicine	
	Health insurance	
	Other health expenses (like doctors' appointments and eyeglasses)	

	My expenses this month, continued	
Personal And Family	Child care	
	Child support	
	Money given or sent to family	
	Clothing and shoes	
	Laundry	
	Donations	
	Entertainment (like movies and amusement parks)	
	Other personal or family expenses (like hair/nail appointments)	
Finance	Fees for cashier's checks and money transfers	
	Prepaid cards and phone cards	
	Bank or credit card fees	
	Other fees	
Other	School costs (like supplies, tuition, student loans)	
	Other payments (like credit cards and savings)	
	Other expenses this month	
	Total Monthly Expenses	

Total Monthly Income - Total Monthly Expenses =	$

Maybe your income is more than your expenses. Great—you have money left to save or spend! If your expenses are more than your income, look at your budget to find expenses to cut.

Set and Aim for Financial Goals

Whether your goal is to get out of debt, buy a house or a new car, pay for your children's education, set money aside for an unforeseen expense, or save for retirement or a dream vacation, identifying specific goals and ranking them on which require attention first can help you reach them. Once you know what they are, here are tips to help you save to reach them:

- **Stick to a weekly, half-hour of "financial review."** Looking at your account balances and reviewing your spending can help keep your budget on track.
- **Establish a savings account through a bank or credit union.** Determine how much you want to put in it each month. Consider an automatic withdrawal from your paycheck to your savings account--be sure to adjust your budget to reflect this.
- **Pay yourself first on payday, even before you pay your bills!** Saving earlier in the month rather than waiting for all your expenses to be paid will prevent using extra monthly money for discretionary spending.
- **Use cash whenever you can and limit loans as much as possible.** Using credit cards, especially those with high interest rates, means you're spending your future money and it will take you twice as long to pay it back.
- **Although there are many ways to structure a budget, you may want to try the 50-30-20 rule.** Some experts suggest allotting **50 percent** of your income toward necessities like housing and bills, **20 percent** toward financial goals like saving for a house, and the final **30 percent** for your "wants" such as dining out. For limited funds, allot 20 percent to financial goals and 80 percent on everything else.

Saving for a house? Know how much you can *really* afford

For most people, home ownership is their biggest investment. The number one rule is to purchase a home that has a monthly mortgage you can afford based on your income. You'll also need to know what type of mortgage to get, and to plan on owning the home for at least 5 years in order to increase the likelihood that you will have enough equity built up by paying down the mortgage. Other things to keep in mind:

Cons of home ownership: There are costs on top of the cost of the home to figure in, including property taxes, insurance, HOA dues, mortgage fees, inspection fees, and maintenance costs--everything from upkeep to the replacement of roofing, heating and other items that can be major expenses.

Pros of home ownership: As you pay your mortgage each month, your interest decreases, and your equity increases as well as what you'll gain when you sell it. Home ownership also earns you a possible tax deduction (new tax law: many homeowners come out ahead by filing standard deduction, not itemizing), financial leverage to use home equity loans, and the ability to to open lines of credit to lower your interest rates.

Savings Tip: Remember to "Round Up!" At the end of the day, put any spare change from your wallet, purse or pocket into a jar. Also, check if your bank offers a program or app that rounds up your purchases and invests the difference in a savings account. For example, if you buy a shirt for $22.50, it will automatically place $.50 in a savings account for a total transaction of $23.

Cut Back, Save More…Little by Little

No matter what your income, if you spend on something you don't really need (your discretionary spending), that's money you could save. There are dozens of ways to change your overspending habits, trim your expenses and grow your savings. Once you get in the mindset of taking care of your money, saving and being thrifty becomes a way of life that pays real dividends! Try these tips:

Stop impulse buying! Shop with intent. Avoid browsing or shopping "just to shop." Write a list, go into the store with a clear objective, and set a time limit.

Make it wait. If an item is tempting you, choose a purchase date in the future, such as in a week, and return to the store on the selected date if you're still interested in it. Save your receipt—if you don't use your new item within a reasonable amount of time, it may indicate that it was an unnecessary purchase. Return it to get your money back.

Control your triggers. If you know you are more likely to shop in the first hour or two after you get home from work, distract yourself with a non-shopping activity during that time frame. Go for a walk, work out or call a friend.

Unsubscribe from email notifications about sales. Or set up filters in your email system that direct messages from stores into a separate folder so that you do not see them constantly popping up in your main inbox folder.

Pack your lunch. Consider bringing your own coffee and snacks to save even more.

Cut the cord. You may be able to cut or downgrade your cable plan to save additional money. Also take a hard look at your phone bill to see if you can make any changes or switch providers to reduce your monthly charges.

Clean house. Hold a garage sale, host items for sale online or take clothing and home goods to a consignment shop.

Buy in bulk. Look carefully at the unit price to confirm you are saving money by buying two rolls of paper towels instead of one, for example.

Try generic/store brands. Often, the ingredients are the same, but the price is much lower.

Leave the car at home, whenever possible. Walking to your destination or taking public transit can save you money on parking and gas (and you're less likely to buy a lot if you have to carry it home!). Plus it's better for your health and the environment. If you must use a car, consider carpooling.

Have fewer restaurant dates, more potlucks. Or consider sharing more "cook together" nights with friends--each preparing a different part of the meal.

Try local free activities. Many communities host concerts, festivals, free museum days and more.

Visit the library. In addition to books, many libraries offer movies, passes for local attractions and even e-books, all at no cost.

Work out at home. Go for a run or walk, take your bike for a spin or try free online workout apps.

Grocery shop only once a week. Shopping more often to pick up a few items can prompt you to pick up extra things not on your list and throw you off track from buying only what fits your needs. Take your grocery list and don't shop when you're hungry.

Use coupons wisely. Coupons that offer discounts can lure you into buying merchandise you may not actually need or use. On the other hand, coupons make sense when you're making an expensive but necessary purchase that you don't regularly have to make, such as a car repair you absolutely can't fix yourself, and you're able to find a special coupon or discount for it.

Shop consignment or thrift stores for clothes and accessories. If there aren't any near you, you can find plenty of websites that sell gently used, good quality clothes, as well as let you sell your own.

Reevaluate commercial cleaning and laundry products—make your own! For example, you can find recipes to easily make cleaning solutions using vinegar, baking soda and other cheap household ingredients. You might also consider trading disposable dryer sheets for reusable dryer balls.

Search sites for entertainment deals. Go to Groupon, Living Social, restaurant.com or visit the social media pages of a business before heading out to a destination.

Teaching Teens Money Management

Teaching your children—especially those entering their teens—how to be smart about money is a valuable foundation for ensuring their future financial wellness and helping them avoid costly mistakes. Here are some basic tips:

Encourage the habit of tracking their spending. Whether through an online tracking program or a simple written record they keep on their own, learning where their money goes is the first lesson toward understanding how to budget and set limits.

Set up a checking account for them – one for everyday necessities and a savings account for future expenditures. Consider opening a "teen checking account" that gives you joint account holder status with complete access, while letting your teen monitor their account online with a real record of where their money is going.

Make them earn their spending money. Some earning opportunities include: helping with household projects, or outside jobs like dog walking, snow shoveling or babysitting.

Teach them how to live on a budget. For example, until their earnings are more substantial, figure out what you're spending each month for, say, their clothing, gas and entertainment, and give this amount to them as a monthly allowance that they will have to manage and make it stretch for the month. Together, go over the dollar amount of each line item–what it will take to cover items they need and the cost for the things they want, such as going out to the movies with friends.

Instill the savings habit. Help them determine a goal for long-term saving, how much they will need, and when they will need it. Suggest stashing 10 percent of any earnings in savings, tell them about "paying themselves" when they receive income, and make savings a line item in their budget.

Show them how money makes money, earning compound interest. As an extra incentive to save, consider matching a certain percent for every dollar your child banks.

Discuss sharing big expenses based on their commitment to savings. If they demonstrate a dedication to saving and money management, you may discuss sharing their big expenses ahead like buying a car or college tuition.

Help them be savvy about credit. Teens can open credit cards on their own at age 18. It's vital that they understand how interest works, and that paying only the minimum each month could escalate what they owe beyond what they can afford, drive up finance charges, and put them in serious debt.

What You Should Know about Credit

Credit—the ability to make purchases before you actually pay for them under the promise of payment in the future--can be an important tool in money management. Credit can help you get a high credit score which improves your "credit worthiness." Credit worthiness is how likely you are to pay back a debt, based on your credit history. A high credit score can help you qualify for car loans, lower rates on mortgages and insurance, qualify for apartments and more. Not having any credit, or having too little credit, could prevent you from getting a high credit score and qualifying for these things.

On the downside, credit cards make it easy to spend more than you can afford. Plus, you'll quickly incur costs from interest (the fee the lender charges for borrowing their money) as well as fees associated with late payments. Limiting the number of cards and paying cash for smaller items is often wise self-help advice. Here's more good advice:

Understand the APR before taking on more debt. The annual percentage rate (APR) is the interest rate when applying for a credit card or loan. For example, the APR may be 4-5% for a home mortgage, about 15% for a credit card,, and for a payday loan it's often 400%. The fee can also vary widely depending on the type of purchase you are making, your credit score and the type of lender.

Do your homework before making a credit card purchase. Determine the true cost of paying off the card with interest—it could mean you end up paying more than the price of the item.

Calculate what you will actually pay for an item you're considering. You can use a calculator to find out how much it will cost you to pay on credit if you only pay the minimum. Visit the Health Advocate member website, navigate to the Financial section, search for "Calculators", select "Credit Cards and Debt" and click on "Credit Card Minimum Payment Calculator."

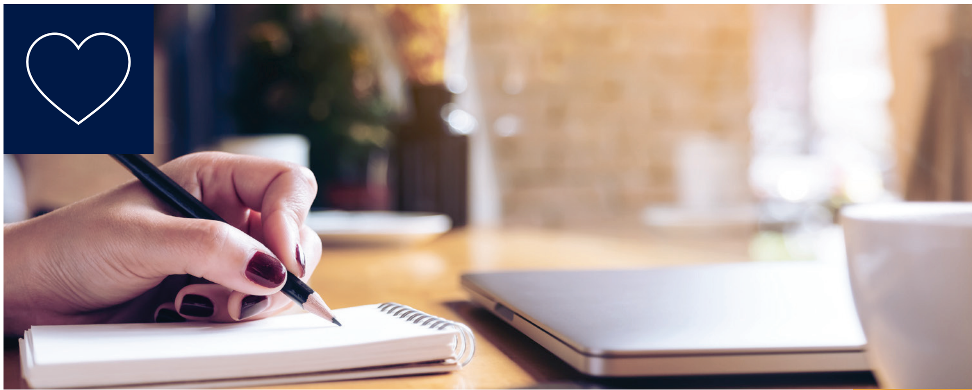
Know your credit score and history

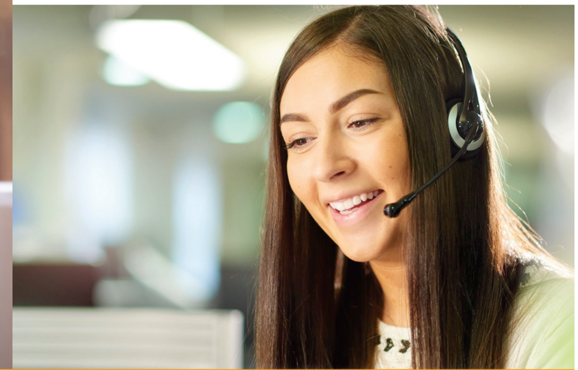
Your credit score (the most common type is the FICO score devised by Fair Isaac & Company) measures your credit worthiness, which ranges from 300 to 850 (excellent). A low credit score resulting from late payments and collections on your credit history may make it difficult for you to borrow money—you'll pay even more for the money you're able to borrow.

Avoid a negative credit history

- **Pay bills on time!** Late and missed payments negatively impact your score. On the other hand, the longer your credit history and consistency of payment, the better your score.
- **Keep credit card accounts open** after you have paid them off because the length of credit history is important.
- **Reduce your credit card debt.** This can be one of the best investments toward financial wellness.
- **To find out what's in your credit score, visit: https://www.myfico.com/credit-education/whats-in-your-credit-score**

Get a Free Credit Report: You can request a free copy of your credit report every 12 months from each of the three national credit reporting bureaus: Equifax, Experian and TransUnion. The report allows you to see your credit history and to uncover any errors that could affect your credit worthiness. If you see an error, report it to one of the above credit bureaus. Visit: www.annualcreditreport.com or call 877-322-8228.





Digging Out from Debt

Many people who experience debt stress owe money on multiple credit cards, and open one card after the other, compounding their debt. Before turning to more credit cards or extra borrowing and taking on more debt, talk to your bank about how they can help you manage your debts. Or visit the government's website on credit and debt issues: https://www.usa.gov/debt or one of the other resources listed in this booklet.

Follow these steps to relieve credit card debt:

1. Know your debt. Write down the names, balances, minimum payments and interest rates for each card.

2. Determine your strategy. There are two strategies to reduce your credit card debt.

> **Strategy 1:** This strategy will save you money over time by keeping your interest rate in check. Rank your credit cards from highest interest rate to lowest interest rate, regardless of the balance. Pay the credit card with the highest interest rate first, then proceed to pay the card with the next highest interest rate, and so on.
>
> **Strategy 2:** This strategy is the fastest way to reduce debt on individual cards and can help increase your confidence to pay off cards, but it also can be the more expensive route. Rank your credit cards from lowest balance to highest. Start paying the cards with the lowest balance first, and then proceed to the next, and so on.

3. Put all of your extra money plus the minimum monthly payment toward the card you have chosen to pay off first. The more you're able to pay, the faster you'll pay it off with the least amount of interest added.

4. Continue to pay the minimum monthly payment on all your other cards.

5. Don't make any new purchases on the card you've chosen to pay off.

6. Repeat steps 1-5 until all of your credit cards are paid off.

Crushed by student loan debt? Follow these tips.

The pressure of student loan debt can often linger for years after graduation and is a major source of stress for many young adults. Take these steps to stay in control of your finances.

Make sure you understand how much your student loans are really costing you each month. Know how far your student loan will get you, and where the rest will come from, the interest rates, options of repayment and how to go about consolidating.

Learn about federal programs that could reduce or eliminate student loan debt. To find out more, visit: studentaid.ed.gov

Stay on top of what you've got coming in and what you're spending. Use an app or money tracker – don't rely on your ATM statement.

Keep investigating forms of additional financial assistance. For example, ask your employer about student loan assistance for employees.

Whenever possible, pay more each month than the minimum monthly payment. This will help lower your principal and interest.

Don't hibernate. Anxiety about money can feel overwhelming and make you want to isolate yourself from others to hide your financial situation. But staying connected with friends is one of the best ways to reduce stress, support your well-being and put money fears in perspective.

Making Money Grow for a Secure Future

It's fine to keep your money in a bank or credit union for safekeeping and easy access. However, investing your money can make it grow, helping you meet your financial goals. And, no matter what your age, one of the most important goals is retirement planning.

Retirement is expensive. Experts estimate you will need 70 to 90 percent of your income to maintain your standard of living when you stop working. The Social Security benefit is only one piece of your retirement plan. On average, Social Security may provide 40 percent of pre-retirement earnings. For a comfortable retirement, you'll need to look into other sources of income, whether through an employer-based retirement plan or other type of retirement account.

Here are some options to help you take financial control of your future:

401(k). If your employer offers a retirement savings plan, such as a 401(k) plan, sign up and contribute all you can—automatic deductions from your paycheck can make it easy. Many employers contribute up to a certain match, but not more if employeees contribute beyond the match. Over time, compound interest can make a big difference in the amount you will accumulate.

IRAs (individual retirement accounts) allow you to save and invest money for retirement on your own that's not linked to wages or contributions from an employer. Consider setting up an IRA up for automatic deposits from your checking or savings—you're allowed to put up to $5,500 a year into an IRA. You can contribute even more once you are 50 or older. IRAs also provide tax advantages. **Traditional IRA** contributions are tax-deductible; withdrawals in retirement are taxed at ordinary income tax rates. **Roth IRA** contributions are not tax deductible but when you retire, withdrawals are tax-free.

CDs (Certificates of Deposits) through banks and credit unions are managed by financial institutions but at a higher rate of interest than savings accounts. You can purchase them for a specific time in which the bank holds your money—monthly, 3-6 months and from 1-10 years. You can stagger the dates of maturity of the CDs so you have more usable money.

Stocks. A stock is a share in a company you own. If the company decreases in value, the value of your stock will also decrease. In most cases, selling stock when the value is higher than what you paid for it is the manner in which you'll make money from your investment (called capital gain). Some companies will pay dividends on stocks as they increase in value. **Mutual funds** or **exchange traded funds (ETFS)** let you invest in the stock market at lower risk than investing on your own. You essentially buy a stock package, broadly preselected by a professional management team, taking the guesswork out of investing. Other important investment options include **bonds, balanced funds** and **target date funds.** A financial advisor can review this with you to see what is the best option for you and your situation.

Should you retire early? If you retire before your full retirement age (determined by the year of your birth), you will receive a reduced Social Security benefit. If you retire later, however, you will receive a larger monthly payment. To see how much you will receive at your full retirement age, visit: www.ssa.gov/planners/retire/agereduction.html

Good to know: You can still work and collect Social Security retirement benefits. Depending on how much you make while working, you may even be eligible for the full benefit. At full retirement age, you can work and keep all of your benefits, no matter how much you earn. However, if you are younger than full retirement age and receive Social Security benefits, your benefit will be reduced by $1 for each $2 you earn above the limit (set annually). Additionally, you may pay taxes on Social Security income, depending on your income and age (if you retire older, you pay less taxes). You can estimate your social security benefit based on how much you have contributed. Visit: https://www.ssa.gov/benefits/retirement/estimator.html

Where to Turn for More Help

General Financial Help

Federal Financial Literacy and Education Commission

https://www.mymoney.gov/Pages/default.aspx

Find articles on budgeting, borrowing money, investing, protecting against identity theft, managing household financial records, planning for life events like having a child, higher education, home ownership, emergencies, and retirement.

Consumer Federation of America

www.americasaves.org/for-savers/savings-tools-and-resources/personal-wealth-estimator

Information to help low- to moderate-income households save money, reduce debt, and build wealth.

Debt and Credit Issues

The Federal Trade Commission

www.consumer.ftc.gov/articles/0145-settling-credit-card-debt

Information about paying credit card debt, credit relief options, choosing a credit counselor from a list of reputable government-approved credit counseling agencies, how to file for bankruptcy, and what to do if you're facing foreclosure.

U.S. Government Information Services

www.usa.gov/debt

Searchable site for a full range of credit and debt issues.

Student Loan Debt

U.S. Government Information Services

https://www.usa.gov/student-loans

Includes how to manage and repay student loan debt and a list of federal student aid loan servicers.

Retirement Planning

Department of Labor

www.dol.gov/sites/default/files/ebsa/about-ebsa/our-activities/resource-center/publications/top-10-ways-to-prepare-for-retirement.pdf

Offers free easy-to-read publications to help plan for retirement, including the *Top Ten Ways to Prepare for Retirement, Savings Fitness* and *Taking the Mystery Out of Retirement Planning.*

Health and Human Services

www.hhs.gov/aging/retirement-planning-security/index.html

Reviews retirement planning, investing for retirement, and more.

Social Security Administration

www.ssa.gov

Complete information about Social Security benefits including a quick online calculator.

Investing Information

Internal Revenue Service

www. irs.gov

Includes information about IRAs and other options.

Buying a House

www.consumerfinance.gov/owning-a-home/

Offers tools and resources to help you take control of the home-buying process.

Turn to Health Advocate

No matter what your financial issue, we offer personalized support, information and tools to help you manage your money, reduce debt and save for your future to ease your financial stress and increase your well-being.

We provide:

- Free telephonic consultations with financial and/or legal specialists to address school loan debt, divorce and money management, bankruptcy, retirement planning and more.
- Access to a customized website online or via mobile app:
  - Informative articles on a wide variety of issues including budgeting, bankruptcy, identity theft, investing and more
  - Downloadable financial forms and worksheets for budgeting, taxes and more
  - Online calculators for loans, credit payoff, taxes, retirement

Remember, you can always call a Licensed Professional Counselor for confidential help with stress, anxiety, family, or work issues any time. You can also talk to a Work/Life specialist to help you find resources to help you better balance your life.

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