

Holistic Financial Wellness

The holiday season comes and goes quickly, bringing with it a flurry or two of snow and what sometimes feels like an avalanche of bills. At the start of winter, we typically focus on immediate expenses such as gift-giving and heating costs. But soon a new year will arrive, offering opportunities for us to manage our financial lives in a more holistic manner.

Consider the following tips to support your overall financial wellness and set a plan for the year ahead:

1. Develop Long-Term Financial Goals

- Identify and prioritize your long-term financial goals.
- Create a plan to achieve each goal. Figure out how much money is needed and when you need to have it. Then identify specific steps you will follow to reach the goal.
- Set aside an emergency fund to protect yourself in the event of unexpected loss of income. The amount needed for your fund varies based upon what your expenses are and how many people depend on you for financial support.

Consider setting aside six months of emergency income if you're single, or one year of income if you have children.

2. Protect Your Loved Ones

- Establish a will or trust so that your assets will be distributed according to your wishes after your death.
- If you already have a will, review it to confirm that it addresses all of your assets and reflects your current family situation. Experts suggest that you review your will every three years.
- Review and update beneficiary information on insurance policies, bank accounts, retirement accounts, and pension plans.
- Designate a power of attorney; this person or organization will handle your financial affairs if you become unable to do so.
- Talk with elderly relatives to ensure that their financial desires are defined and related paperwork is in place.



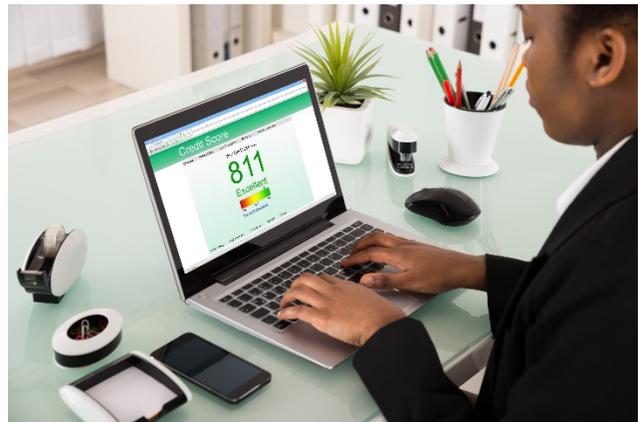
3. Review Your Insurance Coverages

- Review your homeowner's or renter's insurance policy to ensure that you are carrying the coverage levels appropriate for your current needs, including any high-dollar purchases or gifts or home improvement projects.
- Create an inventory of your household belongings. You can get an inventory template from your insurance agent. Or you can take pictures and save images to a storage device or a cloud storage application.
- Review your auto insurance to ensure that the coverage is right for the current value of your automobile.

Make sure you are not overpaying for auto insurance: apply all available premium discounts, such as those for a good driving record, and check your auto club membership for redundant services.

4. Protect Your Financial Information

- Shred financial documents before throwing them away to ensure the information cannot be used by anyone else.
- If you use online banking, change your password frequently.
- Store important documents in a safe deposit box or other secure storage resource.
- Use non-erasable ink pens to write checks.
- Order credit reports from the three major credit reporting agencies at least once per year and review for accuracy.



4. Expand Your Financial Knowledge

- Increase your knowledge by reading books, viewing televised programs, and taking classes on money management.
- Schedule a meeting with a representative from your financial institution to ask questions about their products and your existing accounts and commitments.
- Consider establishing a formal relationship with a financial advisor or other professional who can provide guidance on financial management.
- If you do not currently manage your household finances, become more involved.

Paying bills is only one part of your financial life. Being proactive and informed about all of your finances will help you feel empowered instead of fearful, and will position you to manage your money instead of having your money manage you.

Optima EAP can provide assistance with the kinds of challenges we all face at work or at home. If you are currently faced with a challenge, please call us to schedule a confidential appointment with one of our licensed clinical professionals.

Call us at 1-800-899-8174 or 757-363-6777 or visit OptimaEAP.com.