

FINANCIAL WELLNESS BOOT CAMP

10 HEALTHY FINANCIAL HABITS

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To help young adults build a solid foundation of financial knowledge, TFO Phoenix is conducting a series of Financial Wellness Boot Camps relevant to their stage in life. We kicked off our first workshop in August, with a discussion entitled “10 Healthy Financial Habits.” Just as a healthy body is built on good diet and exercise habits, achieving financial wellness requires both knowledge and discipline:

10 Healthy Financial Habits

- 1. Increase your earning potential:** Make yourself relevant in the workplace and take action to making yourself more marketable by increasing your knowledge, skills, and network.
- 2. Have a budget:** It is not about having to give up all the “fun” stuff, it is about taking control and spending wisely on the things that are most important to you.
- 3. Set specific financial goals:** Think about what you want to accomplish with your money and develop a detailed action plan.
- 4. Save early and save often:** You have time on your side and the power of compounding can have a significant positive impact on your long-term financial plan.
- 5. Have an emergency fund:** Set aside six months of expenses in the event of financial emergencies such as a job loss, medical problems, serious car troubles, or major home issues.
- 6. Don't hoard cash:** Once you have your emergency fund established invest additional savings productively.
- 7. Enjoy discretionary spending:** You work hard for your money, so give yourself permission to enjoy a portion of it without the guilt. The key is to plan for it and include in your budget.
- 8. Be responsible with credit:** Bad credit or no credit can impact your ability get loans, housing, employment, and other financial opportunities. Be sure to pay bills on time, keep your debt balances low and review your credit report (at least) annually.
- 9. Take a money minute:** Setting aside a minute each day to check your financial transactions will help identify problems, keep goals on track, and set the spending tone for the rest of the day.
- 10. Understand insurance:** Insurance can reduce your risk of catastrophic loss. Gain an understanding of the types of coverage you might need to suit your individual needs.

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Putting It Into Action

Gaining awareness and understanding of healthy financial habits is the first step. The hard part is committing to doing it! According to research by the European Journal of Social Psychology, it takes approximately 66 days to ingrain a new habit into your brain. Persistence and consistency is critical to make an action become more automatic. The following steps are intended to help you achieve your desired outcome:

1. Write down your goals and be specific. Start with one or two goals to avoid getting overwhelmed.
2. Set an intention for the habit by stating your purpose and the reason why the goal is important to you.
3. List out detailed action steps.
4. Create a timeline with target dates. Be sure to build in rewards when milestones are reached.

Finally, having a support system can be powerful. Consider getting an accountability partner or a “money buddy” to help provide encouragement and the necessary push to keep moving forward.

What's Next?

We are currently planning our next Financial Wellness Boot Camp, which will focus on the foundations of Investing. Following the presentation, will be a social hour. All our next generation clients ages 18 to 26 will be invited and are welcome to bring friends.

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