

Financial Wellness Is Self-Care: 3 Steps to Help Improve Yours

Many people resolve in the new year to get healthier. Taking charge of your financial wellness can help improve your physical health by lowering your anxiety about money issues.



(Image credit: Getty Images)

New Year's resolutions about taking better care of your health, reducing stress or just "prioritizing self-care" are all very popular and demonstrate a commitment to improving your well-being. Financial wellness – making a budget, understanding your personal finances or starting a savings plan – usually doesn't make the list when you are committing to bettering your overall health.

But did you know that financial stress can be a major contributor to poor health outcomes? According to an October 2022 study by the American Psychological Association, 72% of Americans reported feeling stressed about money at least some time in the prior month. Researchers have found that unrelenting stress can lead to physical problems like headaches and stomach issues, along with mental health issues like anxiety and trouble sleeping.

It is easy to bury our heads in the sand about finances or rationalize that "retail therapy" is a solution for stress, but we need to acknowledge that some, or perhaps even a lot, of the stress that we may blame on job demands or personal relationships may actually be subconscious reactions to stress about money that we are not acknowledging.

Ignoring credit card balances, not understanding where your money is going each month or having arguments about money with loved ones may be signs that you need to address your financial wellness as part of your self-care commitment for the new year.

Where do you begin to make your financial security an important part of your resolutions for this year? Be assured that small steps are all that it takes to make a good start.

Step 1: Build Up Emergency Savings.

It's common to hear that you need to have three to six months of living expenses in a liquid, accessible savings account. If that amount seems overwhelming or would take too long to achieve, begin with the goal of saving one month's worth of expenses so you have success sooner.

Keep in mind that emergency savings are just that – money to use for an emergency. I hear that people are so focused on keeping the emergency savings amount in the bank that they use a credit card when an actual emergency comes up – car repairs, unexpected medical expenses and so on – and then have to pay interest when carrying a credit card balance instead of using the money they put aside to cover such situations.

It's OK to use the emergency funds (for a real emergency, not just something you want) and then start to rebuild those funds again – that's exactly what those funds are for!

NYSUT NOTE: Start small by building your emergency fund with the help of the NYSUT Member Benefits Corporation-endorsed Synchrony Bank Savings Program. This program offers online savings accounts with competitive interest rates and 24/7 online and mobile banking. [Visit the website](#) for more information and to get special discounted member rates.

Step 2: Empower Yourself With a Financial Plan.

Financial planning often has a stigma about scarcity. “I can't take that vacation because I don't make enough money.” “We can't afford to live in that neighborhood.” “Budgeting takes away all the fun in life.”

In reality, having control of your financial life can be a huge source of self-esteem. Many times, keeping track of what you regularly spend money on, knowing how much you make and figuring out where you could make different choices are keys to making the life improvements you desire possible.

I have had discussions with clients where they are genuinely shocked that they spend significant amounts of money on things they absolutely don't care about. By making simple changes to their spending patterns, they can easily make things they do care about happen – but they wouldn't have even known that was possible without understanding their financial plan. Talk about a huge boost to their energy and life satisfaction!

NYSUT NOTE: Take control of your financial plan with the help of the NYSUT Member Benefits Corporation-endorsed Financial Counseling Program. NYSUT members have access to a team of Certified Financial Planners® and Registered Investment Advisors that can offer advice based specifically on your financial situation. Get more information or enroll by visiting [the website](#) today.

Step 3: Plan for Rewards.

Give yourself a treat for achieving those financial goals you set (and budget for that, too!). The key to keeping up with our resolutions is to make sure we are enjoying and seeing the benefits

of those changes. If you decide that you want to save up for an emergency fund or pay off debt, also set aside a small amount of money to celebrate when you achieve that accomplishment.

One of my friends had a sizable student loan from getting an advanced degree. She made a budget with a goal to pay more than the minimum amount each month so she could pay off the balance as fast as possible, but it was going to take more than two years to pay off the whole amount. She knew that she would get frustrated in those two years if she didn't plan to have something to look forward to in order to keep going.

She budgeted in the monthly payments to the loan and then set aside \$20 extra a month in a reward fund. Every six months, she sat down and added up the amount that she had paid toward the loan, and if it was more than \$10,000, she booked a massage as a treat using the reward fund to pay for the massage. That small amount she saved paid for a stress-relieving treat and, in addition to the satisfaction of making a large dent in her loan balance, helped her stay focused on her goal to keep on the accelerated-repayment schedule.

Making New Year's resolutions is easy. The key to being successful and keeping the resolution is to actually understand what you are solving for. If you are looking for a way to be more physically healthy, improve your mental well-being or make your own self-care a priority, taking the time to understand your financial situation can be a positive step to making your resolution a reality even if you start with small steps.

Your financial adviser is a great advocate for you on your journey to life-long financial wellness.

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Kara Duckworth is the Managing Director of Client Experience at Mercer Advisors also leads the company's InvestHERs program, focused on providing financial planning to serve the specific needs of women. She is a CERTIFIED FINANCIAL PLANNER and Certified Divorce Financial Analyst®. She is a frequent public speaker on financial planning topics and has been quoted in numerous industry publications.

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