



# 12 Steps to Financial Wellness

Presented by MembersFirst Credit Union



# Hi! We're your credit union.

Count on us to provide:

-  Affordable Banking Solutions
-  Finance Solutions
-  Investment Options
-  Financial Counseling



# What is financial wellness?



The U.S. Consumer Financial Protection Bureau defines financial wellness as “the feeling of having financial security and financial freedom of choice, in the present and when considering the future.”

# Four Elements of Financial Wellness

	Present	Future
Security	Having control over day-to-day and month-to-month finances.	Having the capacity to absorb a financial shock.
Freedom of Choice	Having financial freedom to make choices that let you enjoy life.	Being on track to meet your long-term financial goals.

## **12 Steps to Financial Wellness**

A photograph of a road with a crosswalk in the foreground. The road is paved and has a white crosswalk with brown stripes. The background shows a dirt shoulder and some greenery under a cloudy sky. A large green rectangular box is overlaid on the center of the image, containing white text.

**ACHIEVING AND  
MAINTAINING YOUR  
FINANCIAL HEALTH IS A  
LIFE-TIME PURSUIT.**



## SETTING GOALS

Whether short- or long-term, having a goal can be very rewarding and motivating.



## STARTING RIGHT NOW

Turn 'I wish I would have...' into 'I'm so glad I did!'



## RECOGNIZING ITS NEVER TOO LATE

Although becoming financially fit is a process, it's never too late to start your journey.

**THINGS  
YOUR  
FUTURE  
SELF WILL  
THANK  
YOU FOR**





Did you  
know?

**Money-related  
stress can  
negatively impact  
every area of your  
life.**

HOW CAN WE HELP REDUCE FINANCIAL STRESS  
AND HELP YOU REACH YOUR GOALS?

# Let's jump in.

LET'S BREAK DOWN THE  
12 STEPS TO FINANCIAL WELLNESS.



*Scan to  
Download  
e-Book*







# Step 1: Track Your Spending

## Combine the use of free tools to track spending

- Online Banking
- Mobile Apps
- Spreadsheets
- Receipts
- Pencil + Paper
- MoneyDesktop (MFCU)



## Step 2: Create a Budget

### STEPS TO CREATE A BUDGET

- Track Spending and Income
- List Total Monthly Expenses
  - List Your Needs
  - List Your Wants
- Assign Dollar Amounts to Expenses

#### **TIP:**

It's ok to review and change as often as you need.



# Expenses To Save For...

Regular Savings

Save for your "wants"

Vacation Savings

Save for your vacations

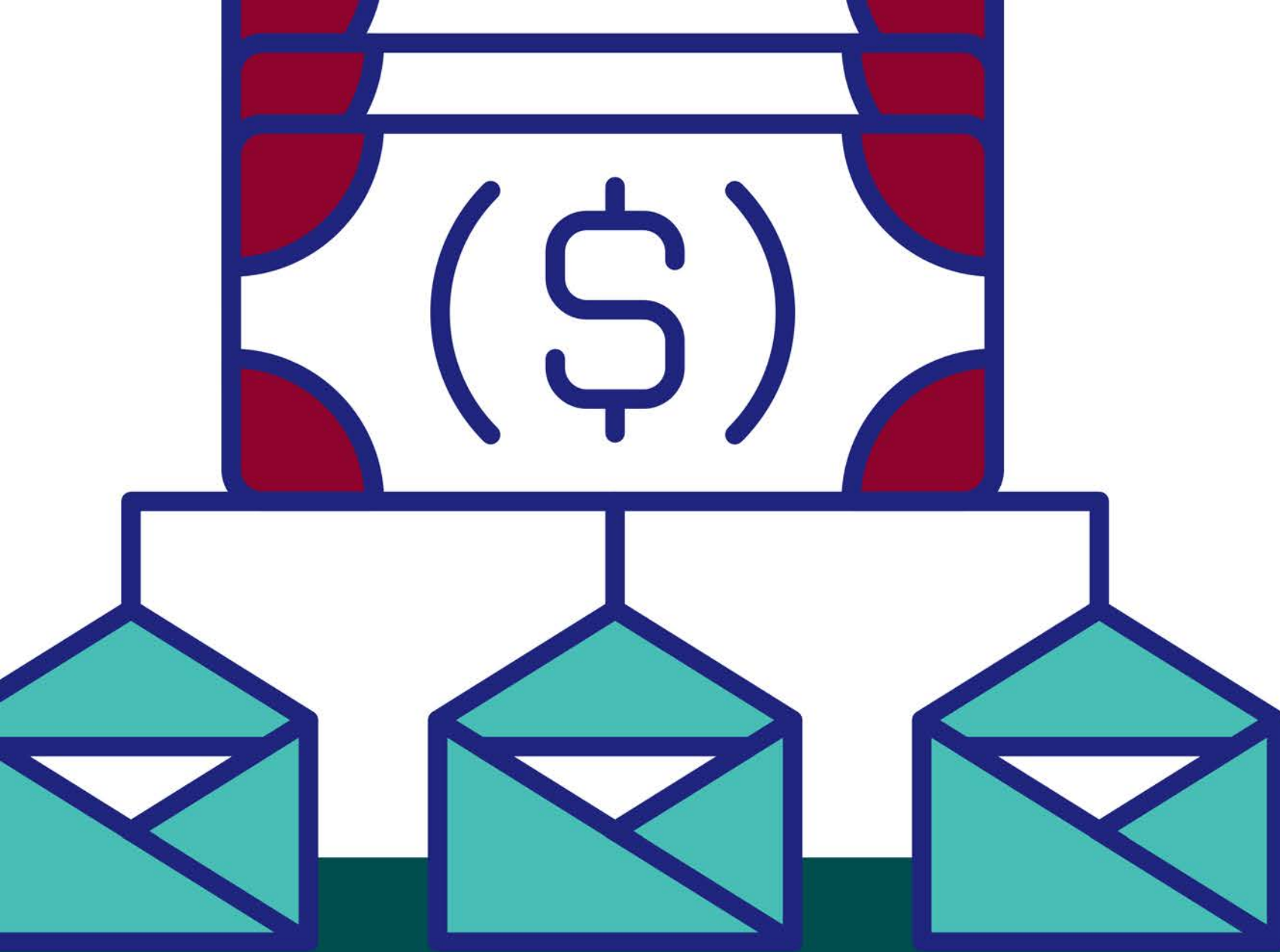
Emergency Savings

Save for emergencies: car repairs, home repairs and unexpected trips

Living Savings

Save for 6 to 8 months of living expenses

**TIP:**  
Use The Cash Envelope Method



# The Cash Envelope Method

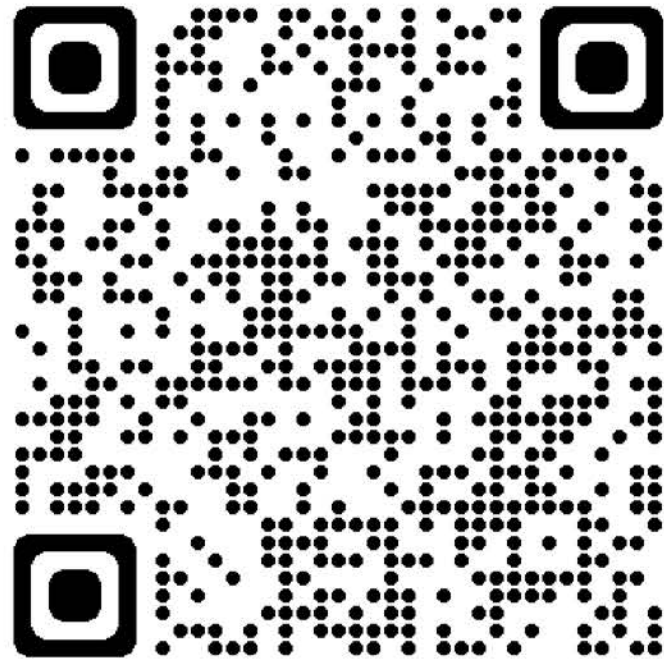
## What is it?

The cash envelope method creates a plan for each category of your money. Money is put into or deposited in the allotted account for the purpose of that category.

## Examples

- Regular Savings Envelope/Account
- Bill Envelope/Account
- Entertainment Envelope/Account
- Past Due Debt Envelope/Account
- Emergency Savings Envelope/Account
- Vacation Envelope/Account
- Living Expenses Envelope/Account

# Free Budgeting Resources



Download these helpful

tools and more at:

[membersfirstga.com/resources](http://membersfirstga.com/resources)



## Step 3: Pay Down Debt

### 6 SIMPLE STEPS AND STRATEGIES

- Organize Your Debt
- Choose Your Debt-Crushing Method (snowball or avalanche method)
- Maximize Your Payments
- Consider A Debt-Consolidation Loan
- Negotiate with Your Creditors
- Avoid Creating Additional Debt

### STRATEGIES TO AVOID

- Debt Settlement
- 401(k) Loans
- Home Equity Line of Credit (HELOC)

## 6 TIPS FOR HAVING THE 'MONEY TALK'

1. Plan the Discussion in Advance
2. Start with a Vision
3. Listen Carefully to Your Partner
4. Talk Openly About Sharing Expenses and Savings
5. Consider Having a Slush Fund
6. Set Up a Weekly or Bi-Weekly Time to Talk Money

### **TIP:**

Stick to your commitments and remember you each have unique needs and wants.



**Step 4:  
Talk  
Money  
with  
Your  
Partner**



Impulse is my enemy!

# Step 5: Practice Mindful Spending

- Find Alternative Ways to De-stress
- Disable the One-Click Checkout Feature
- Leave Cards and Cash at Home
- Put Large Purchases On Hold
- Avoid Temptation





## **Step 6: Pay it Forward**

### **5 WAYS TO PAY IT FORWARD**

- Donate Funds to Your Favorite Cause
- Commit to Do One Random Act of Kindness Each Day
- Write Thank-You Letters
- Donate Your Time
- Share What You Have

#### **TIP:**

Find credible charities at BBB Wise Giving Alliance, Charity Navigator or CharityWatch.

## PRIORITIZE YOUR PERSONAL SAVINGS OVER OTHER EXPENSES

- Review Your Spending
- Set Short- and Long-Term Savings Goals
- Set a Timeline for Each Savings Goal
- Calculate How Much You'll Need to Save Each Month
- Automate Your Savings
- Monitor and Make Changes as Needed



**Step 7:  
Pay  
Yourself  
First**

# STEP 8: KNOW WHEN AND HOW TO INDULGE



## LIVE WITH A BUDGET

Know where your money is going and how much you actually have to spend.



## BUDGET FOR FUN

Leave room in your spending plan for the occasional treat.



## REVIEW YOUR SAVINGS

Before indulging, make sure you've set aside a percentage of your monthly income to savings.

## CHOOSE YOUR TREATS

Take a look at where your money for non-essentials went during the last month or two. Highlight the more expensive impulse buys and hold them up to these questions:

1. Did this purchase bring me happiness or positive energy the day I bought it? Did that feeling last until the next day? The next week?
2. Did this impulse buy blow my budget?
3. Does thinking about this purchase now fill me with joy, guilt or something else?
4. If I found myself in the same circumstances today, would I make that purchase again?



**4**  
**QUESTIONS**  
**TO ASK**  
**YOURSELF**  
**ABOUT**  
**IMPULSE**  
**PURCHASES**

# LOSE THE GUILT

IF YOU'RE SPENDING RESPONSIBLY AND YOU'VE ALREADY FED YOUR SAVINGS AS WELL AS YOUR FUTURE, **THERE'S NO NEED TO BEAT YOURSELF UP OVER AN IMPULSE BUY YOU COULD HAVE DONE WITHOUT.**

# Step 9: Build and Maintain an Excellent Credit Score

## HERE'S HOW



Have a few active credit cards



Work on paying down debt



Pay your bills on time



Bring down your credit utilization ratio



# Step 10: Plan for Retirement

- Set a Target Amount
- Choose Your Retirement Accounts (401(k) or IRA?)
- Set a Target Date

Features	401(k)	IRA	Roth IRA
Allows Matching Funds	Yes	No	No
Tax-Deductible	Yes	Depends on income, tax-filing status and other factors	No
Tax-Deferred Growth	Yes	Yes	No
Taxable Withdrawals	Yes	Yes	No
Maximum Yearly Contribution (2023)	\$22,500	\$6,500	\$6,500
Maximum Yearly Contribution Age 50+ (2023)	\$27,000	\$7,500	\$7,500

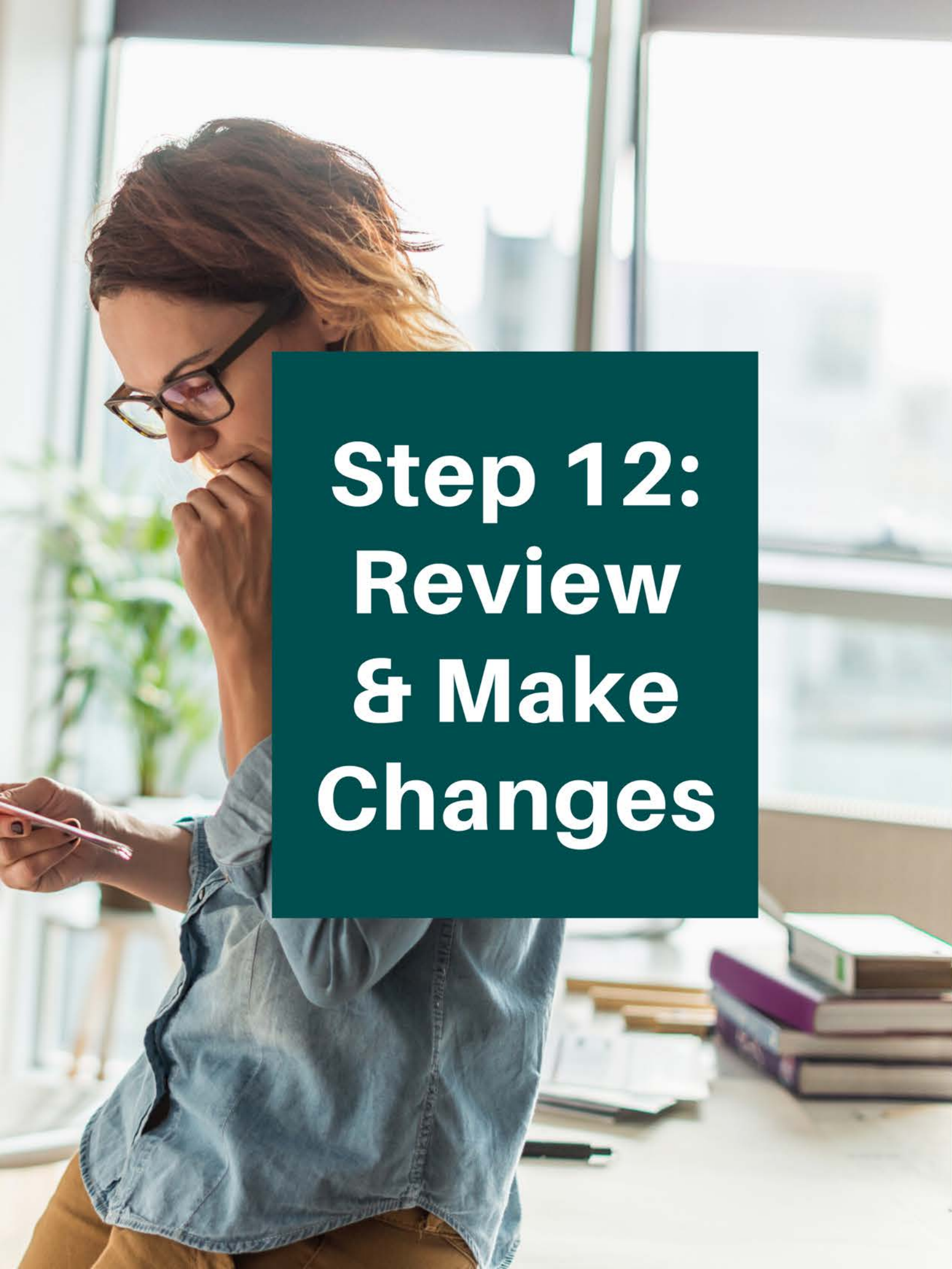
Investing is for everyone, not just the wealthy.



# Step 11: Start Investing

- Define your tolerance for risk
- Define your investment goals
- Determine your investing style
- Choose your investment account
- Learn to diversify and reduce risk





## Step 12: Review & Make Changes

# BETTER CHOICES LEAD TO IMPROVED FINANCIAL WELLNESS

Reviewing your financial health on a regular basis is an important part of staying financially fit.

**NEED HELP?**

**TALK TO A CERTIFIED CREDIT  
UNION FINANCIAL COUNSELOR**

[membersfirstga.com/ccufc](https://membersfirstga.com/ccufc)



# Ask questions about...

- ✦ Becoming a Member
- ✦ Adding an Account
- ✦ Budgeting, Credit & Investing
- ✦ Financial Counseling

Or, email your questions to Ashley DuBois:  
[adubois@membersfirstga.com](mailto:adubois@membersfirstga.com)



# Contact Us

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**Become a Member or Access**

**Financial Resources:**

[membersfirstga.com/ashley](http://membersfirstga.com/ashley)