WellU Ram's Weekly Wellness Newsletter

Welcome to this week's edition of Financial Wellness!

Greetings Students, faculty, and staff,

As we delve into the realm of financial well-being we recognize it's pivotal role in shaping the experiences and future trajectories of our entire university community.

In this issue, we shine a spotlight on the significance of financial wellness. From budgeting tips to investment strategies, we explore how cultivating financial literacy can positively impact our academic journey and beyond. Join us as we explore the insights and narratives of individuals who possess expertise in financial wellness within our campus community. Their insights, experiences, and guidance will inspire us to navigate the complex landscape of personal finance with confidence and resilience.

Let's embark on this journey together, celebrating the importance of financial wellness and empowering ourselves to make informed decisions for a prosperous future.

Joseph Armstrong II
Student Wellness Ambassador

What Is Financial Wellness?

Financial wellness refers to the state of one's overall financial health and stability. It encompasses various aspects such as managing expenses, saving money, budgeting effectively, reducing debt, and planning for the future. In a student context, financial wellness involves understanding student loans, managing a budget with limited income, making informed decisions about spending and saving, and preparing for life after graduation financially. It's about empowering students to make informed financial choices that support their well-being both now and in the future.

Managing Finances in the College Community: Budgeting Tips and Tricks

In the college community, managing finances effectively is crucial for both students and staff members. Budgeting is a fundamental skill that can help individuals stay on track financially. For students, creating a budget involves identifying sources of income, such as part-time jobs or financial aid, and tracking expenses, including tuition, textbooks, housing, and entertainment. By prioritizing essential expenses and minimizing discretionary spending, students can stretch their funds further and avoid financial stress. Staff members can benefit from budgeting by tracking their income and expenses. By establishing a budget and sticking to it, members of the college community can achieve their financial goals and maintain financial stability.

1. Track Your Expenses: Keep a record of all your expenses, no matter how small. This will give you a clear picture of where your money is going.
2. Create a Budget: Set up a budget that outlines your income and expenses for each month. Be sure to allocate funds for necessities like rent, groceries, and utilities, as well as for savings and discretionary spending.
3. Prioritize Needs Over Wants: Distinguish between needs and wants, and prioritize your spending accordingly. Focus on covering essential expenses first before indulging in non-essential purchases.
4. Limit Eating Out: Eating out can quickly drain your budget. Consider cooking meals at home and bringing lunch to campus to save money on food expenses.
5. Avoid Impulse Purchases: Before making a purchase, ask yourself if it's something you truly need or if it's just a spur-of-the-moment impulse. Delaying non-essential purchases can help prevent overspending.

6. Set Financial Goals: Establish short-term and long-term financial goals, such as saving for tuition, paying off student loans, or building an emergency fund. Having clear goals can help motivate you to stick to your budget.

By implementing these budgeting tips and tricks, you can take control of your finances and work towards achieving financial stability and success during your college years and beyond.

Online Tools, Apps and Resources

Online Apps:

1. Mint: Budgeting and expense tracking app.
2. YNAB (You Need a Budget): Budgeting software with a proactive approach to managing money.
3. Pocket Guard: Helps users track spending, create budgets, and save money.
4. Credit Karma: Provides free credit scores, credit monitoring, and personalized financial recommendations.
5. Robinhood: Commission-free investing platform for stocks, ETFs, options, and cryptocurrencies.

Books/Resources:

1. "The Total Money Makeover" by Dave Ramsey: Offers a step by step plan for getting out of debt and building wealth.
2. "Rich Dad Poor Dad" by Robert T. Kiyosaki: Explores the mindset and financial philosophies of the author's two dads and their differing approaches to money.
3. "I Will Teach You To Be Rich" by Ramit Sethi: Provides actionable advice for automating finances, saving money, and investing wisely.
4. "The Intelligent Investor" by Benjamin Graham: Classic book on value investing and principles of sound investment strategy.
5. "Your Money or Your Life" by Vicki Robin and Joe Dominguez: Explores the relationship between money and life satisfaction, offering a nine-step program for achieving financial independence.

Strategies for Financial Wellness: Insights from Thrivent

Today, we are excited to share some valuable insights and tips from Thrivent, a diversified services organization that helps people achieve financial clarity, enabling lives full of meaning and gratitude. Let's dive into Thrivent's expert advice:

thrivent

Six ways to clean up your finances

Just as your house regularly needs organizing and deep cleaning, so do your finances. Follow these six tips to clean up your finances, enabling you to achieve financial clarity so you can live the full and meaningful life you've imagined.

1. **Get organized**
Maintaining your important financial documents and information in one place is key. Create a master spreadsheet with account numbers and passwords. Keep this document safe and protected—if it's on paper, lock it in a safe or cabinet and if it's a digital file, make sure it's password-protected. Keep regular inflows of paperwork organized in a binder or file folder and don't forget to shred the documents when it's time to get rid of them. If storing electronic files on a hard drive, make sure it's password-protected, encrypted and stored in a safe place.

2. **Address your debt**
Debt can be a constant drain on your budget, making it harder to pay other bills and save for your future. Start by choosing one form of debt and working to pay it off in a timely manner. It may be the one with the largest interest rate or one with a small balance that you can eliminate. If you're challenged to keep up with various loan due dates, consider consolidating your payments. The benefit of this approach is you may end up with a lower interest rate, too.

3. Plan for major expenses
Is a vacation or big purchase on your radar? Start putting money aside now to cover the costs. This eliminates the need to use your emergency fund or your credit card, which could increase your debt. Avoid mingling spending money with an emergency fund; instead, open a second savings account that's used only for planned expenses.

4. **Prepare for life changes**
Planning to grow your family or start a small business in the near future? Or maybe you're starting to think about retirement. Are you hoping to buy a car soon or do you want to fund an education savings account for a child or grandchild? Begin to take concrete steps toward meeting your goals by creating a strategy to reach them. You also may want to anticipate risks that could be a significant blow to you or your family's financial future. Consider a life insurance contract that protects your family if the unthinkable happens. Disability income insurance can help with lost income should you be unable to work at some point. Working with a financial professional is a great way to see if you're missing anything.

5. **Mind your retirement accounts**
If you're still working, it's always a good time to review your contribution levels to make sure you're putting enough money into tax-advantaged vehicles like 401(k)s and IRAs. However, if you were age 70 ½ prior to 2020, or if you weren't, once you attain age 72 , the IRS requires you to begin withdrawing a certain amount of money from your employer-sponsored retirement plans, traditional, SIMPLE and SEP IRAs. This is referred to as your required minimum distribution, or RMDs. While Thrivent does not provide specific legal or tax advice, we can partner with you and your tax professional or attorney.

6. **Set charitable goals**
One of the benefits of cleaning up your finances is that you might be able to be more generous. Consider reviewing your goals for giving to your church or favorite charitable organizations. You also could set a target for how much volunteer time you can contribute to a special cause.

It feels great when your house is clean, and it's much easier to keep it clean when you keep up with it regularly. The same is true with your finances. Following these steps regularly will help you achieve financial clarity so you can live a life of meaning and gratitude.

Don't Let Inflation Derail Your Finances

Is your wallet feeling a little thin these days? Over the last few months, it's been hard to ignore the impact of inflation. The prices of goods and services we rely on, like gas, groceries, and utilities, have risen sharply and put a strain on our finances.

According to Thrivent's Consumer Financial Outlook Survey*, 63% of respondents said inflation is to blame for pushing them off track financially. In fact, more than three-quarters of those surveyed (76%) said inflation/cost increases are negatively impacting their savings and putting them in a more vulnerable position. Only a small percentage of those surveyed – 28% – said they are saving more than enough or a good amount right now.

The survey was conducted in partnership with data intelligence company Morning Consult and polled 2,221 adults across the country. While the current financial environment may have you worried about the impact on your finances, there are ways to take control – and even potentially improve – your financial situation. Here are some actionable tips from Thrivent to help get back on track financially and hedge against inflation:

- **Sort out emotions** – Money decisions can stir up strong emotions. It's normal to feel anxious, stressed or even scared.

We recommend getting emotions out on the table first by asking: What is most concerning to me? When people identify their emotions and what they're concerned about, it can reduce the ultimate impact. Second, ask yourself: What is in my control? For example, while you can't control market volatility, you can take steps to rebalance your investment mix to match your risk tolerance.

- **Return to the basics** – It's a good practice to revisit your budget in response to significant changes to household income or expenses. With inflation driving up prices, now is a great time to get a grasp on your expenses and overall financial picture. First, outline how much money is coming in each month. Second, map out where that money is going: How much is being directed to your savings, bills, and everyday spending?

This exercise can be done in many different ways – using pen and paper, a spreadsheet, or a mobile app or digital tool. The most important thing is to get started. These initial insights can help you make more informed decisions about your money.

- **Find a support system** – It's important to remember you don't have to go at this alone. Having a trusted person to talk to about your finances can help you wrestle with your emotions, discover your behavioral patterns, chart a clear path forward and stay accountable to a strategy. Begin by exploring your options. A financial advisor can be a sounding board for changing or competing financial goals. They can meet you where you're at today – whether it's starting from scratch or building more advanced financial strategies.

If you're not ready to take that step yet, there are plenty of free resources to help you get organized, like Thrivent's Money Canvas coaching program. Money Canvas offers free online coaching sessions to help people build a baseline understanding of their financial picture and establish healthy day-to-day budgeting, saving and spending habits.

- **Strengthen the financial foundation –** There are a few initial steps you can consider taking to strengthen your financial foundation in the immediate term, including:
- **Modifying your budget** – With higher prices driving up expenses, reevaluate your budget and make spending tradeoffs to continue living within your means. Depending on what your priorities are, you can find ways to scale back, like shopping smarter at the grocery store or eliminating recurring subscriptions. Finding a way to cut back even $25-50 a week frees up an extra $100-200 a month that can be dedicated to other purposes.
- ***Establishing an emergency fund*** – The survey found that more than half of Americans (60%) would be concerned if faced with an unexpected $500 expense. This is a good reminder that now isn't the time to lose sight of your emergency savings.

The general rule of thumb is to save enough to cover three to six months of expenses. Due to inflation, consider increasing the amount you're putting away every paycheck. Having additional reserves available can give you greater confidence and help you weather the higher prices we're experiencing right now.

- **Managing debt –** Dealing with debt in addition to inflation can put even more strain on your finances. For those with debt, devise a strategy for tackling it. Depending on the amount, think about prioritizing smaller debts first and then work your way up to the largest amount. Or focus on paying the debt with the highest interest rate first. Consolidating your debt may be a third option
- **Revisit investments –** To help minimize the long-term effect of inflation on the growth of assets, now may be an ideal time to revisit your risk tolerance and compare that to your investment allocation. If needed, a financial advisor can help you diversify your portfolio to better match your current risk tolerance, investment objectives and time horizon.
- **Practice smart behaviors to improve financial health** – While many Americans recognize the behaviors that can improve financial well-being, the survey found that current pressures may be preventing them from doing it. For example, 77% of those surveyed said automating savings is very or somewhat effective, yet only 41% currently do it. For many, this may be a missed opportunity that doesn't have to be. If you can "set it and forget it," this is an easier way to build meaningful savings over the span of several years.

Practicing other smart behaviors, like living within your means, following a budget and sticking to a financial strategy, can also put you on better financial footing.
While the effects of inflation can feel overwhelming, don't let it derail your finances. By seeking help, focusing on your financial strategy, and sticking to your goals, you can successfully navigate this period – and emerge in an even stronger financial position to tackle whatever comes tomorrow.

This article was prepared by Thrivent for use by Huston Tillotson University.

How to Achieve Financial Wellness

According to a survey conducted by the National Endowment for Financial Education (NEFE), 35% of U.S. adults are “just getting by financially” and are concerned that their money won’t last. These money concerns result in stress, which can impact your mental and physical health. As a result, being financially healthy will allow us to deal with money-related issues more effectively and experience a greater overall well-being and thus, we can become more productive and enjoy a happy life.

Some tips we can follow to achieve financial wellness include:

1. Create a Budget: Know what you earn, what you spend, and where your money is going. A budget helps you track your expenses, identify areas where you can cut back, and prioritize your spending on what truly matters to you.
2. Build an Emergency Fund: Aim to save at least three to six months' worth of living expenses. This fund acts as a financial safety net for unexpected expenses, such as medical emergencies or car repairs, and can help you avoid debt.
3. Manage Your Debt: Make a plan to pay off any existing debt, focusing on high-interest debts first. Avoid taking on new debt whenever possible, and consider strategies such as debt consolidation or refinancing to lower interest rates on existing debts.
4. Save for the Future: Regularly contribute to your savings and investment accounts. Take advantage of retirement accounts like 401(k)s or IRAs, which offer tax benefits and can significantly impact your financial future through the power of compound interest.
5. Understand Your Financial Products: Be informed about the fees and benefits of your financial accounts and products, including checking accounts, savings accounts, credit cards, and insurance policies. This knowledge can help you make better financial decisions.
6. Invest Wisely: Consider diversifying your investments to manage risk effectively. While investing can increase your wealth over time, it's important to do so according to your risk tolerance and financial goals.
7. Protect Your Financial Information: Safeguard your financial information to prevent identity theft and fraud. This includes regularly monitoring your bank and credit card statements, using strong, unique passwords for financial accounts, and being cautious about sharing personal information.
8. Plan for the Future: Set financial goals for the short, medium, and long term. Whether it's buying a home, saving for a child's education, or planning for retirement, having clear goals can motivate you and guide your financial decisions.
9. Seek Professional Advice: If you're unsure about your financial decisions or want to create a more sophisticated financial plan, consider consulting a financial advisor. They can provide personalized advice based on your financial situation and goals.
10. Focus on Financial Education: Continuously educate yourself about personal finance. The more you know, the better equipped you'll be to make informed financial decisions. There are numerous resources available, from books and online courses to podcasts and blogs.

By incorporating these tips into your life, you can work towards achieving financial wellness and creating a secure financial future.

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Take a look at "How To Make Financial Wellness Your Reality" by Brent Hines

Financial Wellness Events on Campus

Curious about the WellU RAM Wellness Program?

Come along and discover all that we have to offer!

Join the WellU Wellness Program

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To sign up for activities offered by the wellness program, please use the QR code provided to start your registration process.