

Today, I'd like to speak with you about managing your financial wellbeing and feeling secure about your financial situation.

This seminar will not only provide important advice to help you feel more secure about your finances, but we will also discuss strategies for coping in a crisis, tackling emotional spending, thinking ahead to mitigate risk, and investing for the future. The information shared will help you gain the confidence to take control of the key areas of your finances.

So, let's begin. Take a moment to think about your current, overall financial picture. How would you rate your level of financial security and stability? Would you say it was poor, adequate, or excellent?

Life can sometimes come at you quickly and from all directions. Changing factors and circumstances outside of our control can directly influence our feelings of financial security. The saying goes, "If you fail to plan, then you plan to fail." Having a game plan and being prepared can help reduce feelings of anxiety when the unexpected happens. Being prepared means assessing your current level of stability and actively thinking about ways to make immediate improvements.

The first step of managing a crisis is to understand the areas of your life that will be impacted and identify what are your priorities. Review your current income and expenditures. Highlight areas where you can make reductions and streamline your spending. Talk to family members; it's important to make sure that everyone is on the same page and working toward the same goals. Change, rather than eliminate, expenditures on the fun things; a balance is important. So, if you need to cut back on certain activities or treats, create new alternatives that may be more cost effective, but still have fun. Consider alternative income streams if you have the time and the resources. Get support and advice. Prep and plan your meals. Get creative. This can be a really simple way to save money. Have a clear out: de-clutter and possibly sell secondhand items to raise some extra money. Request a mortgage or bill break. Any role and a level payment plan for your utilities?

Oftentimes, the key to controlling spending is to understand the triggers that affect our spending habits. Stress, anxiety, and even elation are some of the emotional triggers that can sense spending out of control. Emotional spending occurs when we make purchases of things we don't need, or in some cases, don't even want, in order to ease

or magnify our emotions. As you can imagine, during the coronavirus lockdown, there has been an enormous surge in emotional spending and impulse purchases. Some people spent money to help them cope with the stress of life during the pandemic, while others excitedly shopped with the extra money saved on gas, dining out, and other restricted activities. Whatever the case, to create an efficient spending plan, the key is tackling your spending triggers.

Next, take another moment to reflect and consider: what are your spending triggers?

Let's talk about strategies. Strategies to help you manage your emotional spending. Instead of immediately making a purchase, allow yourself a 30-minute window of reflection. Take a hard look at your bank statement every month, and highlight any evidence of emotional spending. Use free budgeting apps to help you break down your spending into categories and understand your average spending. Put boundaries and limits in place to prevent key triggers affecting your spending, such as canceling credit cards. A word of caution: it is recommended that you only cancel credit accounts if you have serious issues with spending. A closed account will most likely impact your credit score. So, when possible, keep the account open, but consider keeping the credit card out of reach or out of sight.

Managing your debt represents a critical part of your overall financial stability. Though it may be a little intimidating, the first step is to list every account or payment that you make—the balances and interest rates. Make note of the accounts where you are only making the minimum payments, and set a goal to increase your payment amount. An average credit card debt of \$3,092, where you're only making the minimum payment, can take you as long as 26 years to pay off. Build your understanding of what you have and where your money is going. List all debts, and then prioritize them to pay off the highest interest rates first. Think about options for consolidating your debt. Personal loans and home equity lines of credit are options for paying off credit card debt at a lower APR than most credit cards. It's important, however, to understand the risk of converting unsecured debt into secured debt that is now secured against your home. Non-payment of these debts puts you at risk of losing your home. Look for 0 percent interest promotional offers, and reach out to creditors to request interest rate reductions. If you're struggling to cover the regular payments, request payment forbearance. Get professional help if it feels overwhelming. Non-profit credit counselors may be able to help you negotiate an affordable payment plan with your creditors.

How often do you think about your rainy-day plans? How will your family survive if you are no longer able to provide for them? Part of being stable and secure is actively putting measures in place to invest in certain eventualities and mitigate risk. It is paramount to have proper levels of insurance coverages in place for events that could affect your financial stability, such as an illness. Consider real, what-if scenarios, and examine your coverages for health, life, liability, and disability insurances. Do you have a plan in place for long-term care coverage? What estate planning documents, such as wills, powers of attorney, and health care directives do you have in place? Establish what you already have in place, and research to see if there are better options.

Next, when you think about your future, do you feel optimistic? Ask yourself these questions, and make your plans based on your answers: What does my future lifestyle look like? What is my starting point? Do I understand the numbers? Am I making the most of my time? What are my options? Think about pensions and retirement plans for your future. Make sure you're taking advantage of plans available through your employer. If your company offers a match to your contributions, maximize your contribution amount to ensure you are getting all of the available free money. Consider other options for saving, investing, and growing your money. So, things such as Roth or traditional IRAs or mutual fund accounts. Utilize the many online planning calculators for retirement to understand your retirement goals, and seek the advice of a qualified financial advisor to assist you with your plans.

Next, get organized. Have a complete overview of where you are today. This includes looking at your spending habits, bills, payouts, savings, and debt, create a strategy to manage and pay off your debts. Build resilience by developing a plan to deal with the current situation. Protect yourself and take action to secure your future.

I hope you found this information to be beneficial. We at the employee assistance program stand ready to assist you with your financial plans. Remember, your journey to financial wellbeing begins with the steps that you take today. Thank you.