

# How Fit Are Your Finances?

It's a lifestyle choice. It requires motivation, commitment, behavior changes, self-management, and the right attitude to make long-lasting changes. Getting financially fit really isn't very different than getting physically fit when you think about it. Improving your financial well-being, much like a regular exercise program, has the added benefit of also reducing stress. If you haven't reviewed your financial health in a while, or if the idea of getting started is a little overwhelming, here are some questions that may help.



Financial Wellness Assessment	
Reducing Debt	
Do you spend less than you earn each month?	<p>Start by tracking your expenses and creating a budget that is flexible and realistic. Knowing where you are spending your money will help you re-focus your efforts on debt reduction and improve your cash flow. In addition, meeting credit obligations you have made - on time and as agreed upon - is important for establishing your creditworthiness. Having good credit history can open up opportunities for rewards or other incentives to make the most of the credit cards you carry.</p>
Are you comfortable with the amount of non-mortgage debt you have?	
Do you pay your bills on time each month?	
Do you regularly pay off your credit card balances in full?	

## Financial Planning

<b>A Disciplined Approach to Saving and Investing</b>	
<b>Do you have an emergency fund to pay bills for 3-6 months if you lose your job?</b>	<p>You will be more likely to stick with your saving and investing strategy if you have established and prioritized goals with your family. Knowing you have an emergency fund can relieve some financial stress and make it easier to focus on long-term goals. Many employers also make it easy to save by providing 401(k) plans that offer a simple and automated way to save through pretax payroll deductions.</p> <p>Additionally, these plans allow for tax-deferred compounding and can also include matching contributions. Diversifying and periodically rebalancing your investments can help you manage risk and stay disciplined during times of market unease.</p>
<b>Do you contribute to a retirement plan at work or to an IRA if you don't have access to one?</b>	
<b>Do you have a general understanding of stocks, bonds and mutual funds?</b>	
<b>Are you confident your investments are allocated properly?</b>	
<b>Planning for Retirement and Beyond</b>	
<b>Are you on target to replace enough of your income in retirement?</b>	<p>Over time your priorities and financial goals will change. These transitions are normal and you may see your needs shift from accumulating savings to generating income from your investments. You'll also want to develop strategies for protecting assets and establish plans for unexpected life events, such as incapacity. Long-term care expenses are becoming a bigger concern as people are living longer and costs continue to rise. On the other hand, if you have a goal of leaving a legacy or if you expect to have funds at your death, creating and/or updating your estate plan can assure your legacy goals are achieved.</p>
<b>Are you confident you will be able to cover your medical expenses in retirement?</b>	
<b>Do you have a long-term care plan?</b>	
<b>Do you have an estate plan in place?</b>	

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