

Financial Health

- An Important Component of Your Well-Being

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Our health comes in many forms, such as our mental well-being, our physical condition, our emotional state, and our financial health. Think about how you act when your bills are covered, your debts are paid, and you have a clear idea of your planning for large needs, such as a child's college education or your own retirement.

That state of mind, and health, is quite different from how the world looks if every week is a paycheck-to-paycheck existence and you never feel like you are making any inroads to financial progress.

As in many areas of life, small steps taken toward the attainment of a larger goal usually provide a feeling of accomplishment and empowerment. Taking small bites of that proverbial elephant in order to reach a larger goal works well in helping to create financial health. Large steps can seem intimidating and our reaction is to do nothing. Smaller, more easily completed tasks give us hope that all is not lost.

For example, many people do not bother to keep accurate records of spending, often due to the fear of realizing just how much of the budget is being stretched due to overspending. This lack of attention to the details creates tension and discomfort. These people know they are adding to their debt or decreasing their emergency savings and choose to handle those discomforts by ignoring the situation.

Beginning to balance a checkbook and monitoring expenses is a good place to start in recapturing the feeling of control when it comes to your finances. That is one of those small steps that usually reaps big rewards in terms of improved feelings of well-being. Once management of the checkbook is completed, a good once-over of the

Financial Planning Checklist The Seven Essentials:

1. I have completed my basic estate planning (wills, advanced medical directives, powers of attorney).
2. I have an emergency fund for unexpected needs.
3. I know how I would pay my bills for an extended period of time if my income stopped today due to illness or injury.
4. My family could continue to live in the lifestyle we have created if I (or another breadwinner) were to die today.
5. My financial plan is in written form and my goals and objectives are prioritized.
6. I have quantified my retirement goals and feel secure I will have sufficient funds.
7. I can fully fund any long-term care needs I (or my loved ones) may need.

budget is a positive second step. Knowing what you spend and what you earn is a very eye-opening experience for many.

In my financial planning practice, I like to provide my clients with a checklist that serves as a blueprint for working toward financial strength. That checklist is on the following page for your reference. If you have worked through your financial plan, these most likely are the areas that have been addressed and resolved.

My best advice is to seek out the wisdom and partnership of a qualified financial professional so that you have good counsel and can make informed decisions regarding the most prudent way to achieve financial health.

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