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Course Conclusion

Section 1: Introduction

Why Take This Course

Do you ever wish you knew more about personal finance? No matter where you are in your financial journey, there always is more to learn. SAM's free online courses are not intended as financial advice, but as a starting point to raise awareness, to increase skills and knowledge related to personal finance, and to guide you to helpful resources.

Research shows that financial education is most effective when it is relevant to a decision you are faced with right now. This course covers:

- Establishing personal financial security (well-being) based on your personal values and circumstances.
- Analyzing how your money management habits affect your financial security.
- Implementing strategies and systems to realize your own sense of financial well-being.

Disclaimers

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Introduction

"If you make a good income each year and spend it all, you are not getting wealthier. You are just living high."

~ Thomas J. Stanley and William D. Danko, *The Millionaire Next Door*

Is wealth the same as financial security? You can compare yourself to others by measuring net worth or the accumulation of money or possessions, but financial security — that feeling of having enough to cover your financial needs — is unique to each person.

In 2015, the Consumer Financial Protection Bureau (CFPB) published a report focusing on financial well-being defined as "a state of being wherein you:

- Have control over day-to-day, month-to-month finances;
- Have the capacity to absorb a financial shock;
- Are on track to meet your financial goals; and
- Have the financial freedom to make the choices that allow you to enjoy life."

Consumer Financial Protection Bureau (CFPB), Financial well-being: The goal of financial education.

Focusing on financial well-being lets you assert your own path to financial security. Of course, you may achieve wealth through the process, but the spotlight remains on you, your financial needs, and the unique actions you take.

What is Financial Well-Being?

What does financial security mean to you? Does it include aspects of the CFPB definition? Take a moment and write down a working definition for yourself. What would your life look like or feel like if you were financially well-off? How will you know when you reach your definition of financial security?

Complete this sentence: I will know I am financially secure when ________________.

Wealth, Income and Possessions -

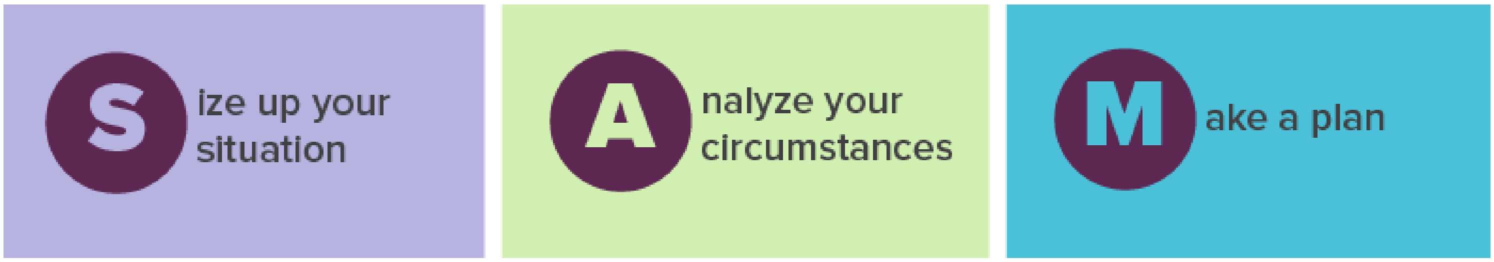
It is a common misconception that your income level and material possessions define your wealth. However, a person with a large income might live paycheck to paycheck with an expensive lifestyle that limits his or her ability to accumulate wealth.

Wealth isn't defined by how much money you earn – it's about how you grow and save your money to meet your changing life circumstances.

Make a SAM Plan for Financial Well-Being

Achieving a state of financial well-being requires that you examine what you want your life to be like, how you want to live, and what choices you need to make now and in the future.

Use these SAM action steps to think through your options and make informed decisions that fit your lifestyle and values.



- Gather information about your current state of financial well-being.
- Analyze your behaviors and plans for reaching your goals. This step explores aspects of financial preparation and suggests other SAM courses if you need a refresher.
- Make plans to optimize your resources and minimize roadblocks in ways that help you achieve your financial aspirations.

Section 2: Size Up Your Situation

Appraise Your Financial Well-Being

What is your present level of satisfaction with your financial well-being? Use the scale below to quickly score your current financial state.

Answer each statement thinking about how much it applies to you.	Agree	Disagree	Somewhat Agree
1. Because of my money situation, I feel like I will never have the things I want in life.			
2. I am just getting by financially.			
3. I am concerned that the money I have or will save won't last.			
4. I have money left over at the end of the month.			
5. My finances control my life.			

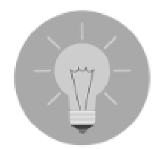
*Based on a Financial Well-Being Scale from the Consumer Financial Protection Bureau (CFPB)

Are you satisfied with your answers?

Your financial well-being will fluctuate with many things including your age, family situation, employment, lifestyle and values. There is not a specific good or bad financial well-being— it depends on your own definition for the term and your level of satisfaction. As you complete this course, you will discover ways to change some of your answers.

Rank Your Income

Rank your satisfaction with your current income level on a 1-5 scale.



1. Very Satisfied; 2. Somewhat Satisfied; 3. Satisfied; 4. Somewhat Not Satisfied; 5. Not Very Satisfied.

- My current income more than meets my needs.
- My current income adequately meets my needs.
- My current income sometimes meets my needs.
- My current income often does not meet my needs.
- My current income rarely or never meets my needs.

It's OK

Your selection depends on which needs are foremost in your mind right at this very moment. Tomorrow you might have a different answer. So, it's OK to respond that your income is inadequate at this precise moment. The important thing is to understand how you feel and use this course to learn strategies for increasing your feeling of financial well-being.

What Do You Value?

What you will want in your financial future and what you need to feel financially secure depends on your values. Research from SAM's LifeValues Quiz identifies four categories of values that drive financial behaviors: inner values, social values, physical values and financial values.

	Overview	Areas of Influence	Effect on Money Habits
Inner Values	Our personal identity (how we see ourselves) and our social identity (how we believe others see us)	Sense of purpose and meaning in life Desire to worship (or not) Need for safety and security Desire for freedom and independence Control over goals and priorities Need for personal space Preference for working alone or with others Outer success vs. inner contentment	Strong inner values translate to trusting one's gut or following the inner voice, which can give the person the resourcefulness to overcome a sudden money crunch. Strong feelings of autonomy and security help us feel in charge of our lives, which can translate to more confidence in financial transactions.

	Overview	Areas of Influence	Effect on Money Habits
Social Values	Our desire for belonging and relatedness with our family members, neighbors, friends, coworkers and communities Includes organizations with which we identify (e.g., clubs, sports teams, schools, professional groups)	Desire to be alone or with others Providing for others in formal and informal ways Charitable giving and public service work Budgeting jointly and sharing expenses Feeling of relatedness to political parties and representatives Social justice and civil rights	How we handle money is, in part, tied up in our unique family histories. Habits and cultural preferences we learn early from our families and other social relationships influence later money habits. Sometimes we unconsciously "act out" in our adult money habits in response to messages received in childhood.

	Overview	Areas of Influence	Effect on Money Habits
Physical Values	The tangible aspects of life, the external world, our physical health and well-being	Amount of space we need to feel comfortable Degree to which we are satisfied and fulfilled by beauty and material possessions Health of our bodies and the measures we are willing to take to secure that health Desire for pleasure and comfort Appreciation of art, fashion, architecture and design	Strong physical values might translate to overspending on material possessions if left unchecked, but physical values also show up in our desire for quality. This person is willing to spend more for craftsmanship and design. A person with strong physical values also might prioritize getting more insurance to protect their valuables, and might spend more than others on home and self-care (e.g., gym memberships, beauty treatments, dry cleaning, interior design). This is not felt to be frivolous, but to protect his or her investment.

	Overview	Areas of Influence	Effect on Money Habits
Financial Values	Unrelated to how much money we actually have, these values reflect what we think or believe about money	Sufficiency of money (do I have enough?) Sustainability of resources (how long will my money last?) Appropriateness of financial decisions (is this the right choice for me?) Bargain hunting and getting a good deal Saving for long-term security and short-term goals	Those with strong financial values likely think more about the sustainability of their money and generally have more in reserve. When one does not have a strong concern about the appropriateness of their purchases, he or she might be less prepared for financial emergencies. People with strong financial values can be great financial educators, both professionally and personally.

Examining your values lets you clearly understand what matters most to you and why you set the goals that you do. The judgments you make begin to reveal patterns in your behavior that are specific to you and your values. And, the hard choices you have to make become easier when you remain true to your values and goals.

Assessing Your Values

Find out more about the values you use to make choices by taking SAM's LifeValues Quiz.

Appraise Your Needs

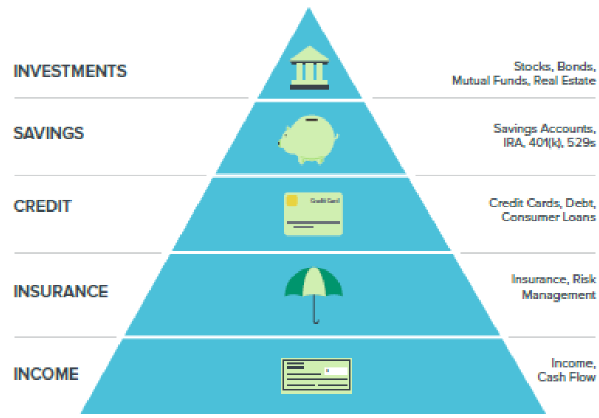
Just as your values influence your financial decisions, so do your needs.

American psychologist Abraham Maslow proposed the Hierarchy of Human Needs. Essentially, your lowest and most basic needs must be satisfied before you can move toward satisfying the next level of needs. In Maslow's hierarchy, physiological needs (food, water, sleep) must be satisfied before moving to safety needs (shelter, safety) and so on.

Using a similar approach to Maslow's hierarchy, you can analyze your financial health on five levels of need (as proposed by MissionAssetFund.org):

1. **Income** – Can you cover basics like food, housing and utilities?
2. **Insurance** – Do you have adequate protection of your income, health and other assets (e.g., home, renters, disability, long-term care)?
3. **Credit** – Can you borrow when you need to without paying high rates? Are you able to make your payments on time?
4. **Savings** – Can you set aside money for emergency needs or big-ticket items? Can you manage if you experience a major change in your income? Are you saving for your retirement?
5. **Investments** – Will you be able to cover your expenses when you retire? Are your current investments beating inflation?

Starting at the bottom of the pyramid, you need to meet your basic income needs before you can begin to address insurance needs, credit needs and so forth. Sometimes you will meet needs at a higher level without feeling totally secure at a lower level; when this happens, check in with lower levels, depending on how your life circumstances change, to make sure you have a strong foundation.



Adapted from MissionAssetFund.org

Where are you on the Hierarchy of Financial Needs?

Use this pyramid to rate your level of financial security today. Choose one of the ratings and then list it onto the pyramid level to which you want to apply that rating (it's OK to use a rating multiple times). Be sure to rate each level.

Level:

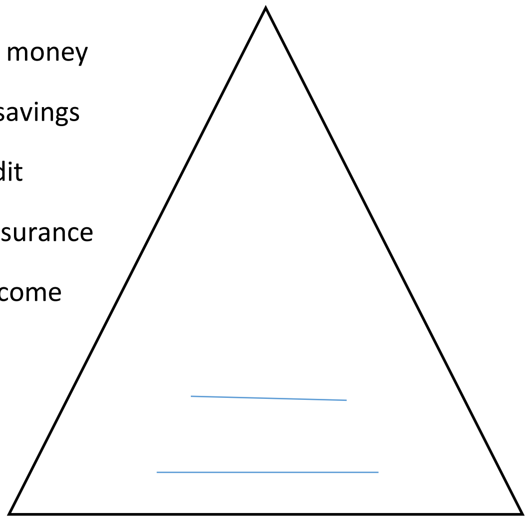
Growing my money

Emergency savings

Healthy credit

Adequate insurance

Sufficient income



Select the rating for pyramid level. (Levels should be listed in the pyramid).

Fill in pyramid levels:

Got it covered

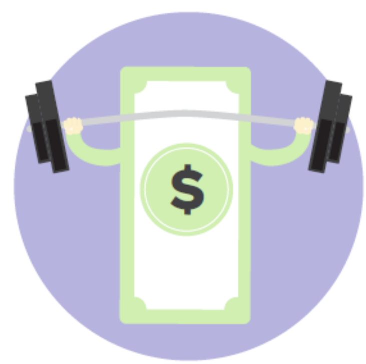
Nearly on track

Needs work

Not yet

What's Your Financial Fitness?

What level of fitness would you assign to your current finances? Are you optimistic about your prospects for maintaining or improving your lifestyle? Do you have some areas that could use some work? Assessing where you are right now is a first step toward moving forward.



Assess Your Fitness

Complete these assessments to check in with your financial fitness.

Keep in mind, there are no good or bad scores or levels. Your interpretation will depend on the goals you set for yourself based on your values and needs. As you complete the rest of this course, come back to these assessments to see if your score or level changes.

1. Do you **currently** have a personal budget, spending plan, or financial plan?
    - Yes [assign 1 point]
    - No [assign 0 points]
2. How **confident** are you in your ability to achieve a financial goal you set for yourself today?
    - Not at all confident [assign 0 points]
    - Somewhat confident [assign 1 point]
    - Very confident [assign 2 points]
3. If you had an unexpected expense or someone in your family lost a job, got sick or had another emergency, how **confident** are you that your family could come up with money to make ends meet within a month?
    - Not at all confident [assign 0 points]
    - Somewhat confident [assign 1 point]
    - Very confident [assign 2 points]

4. Do you **currently** have an automatic deposit or electronic transfer set up to put money away for a future use (such as savings)?
   - Yes [assign 1 point]
   - No [assign 0 points]
5. Over the **past month**, would you say your family's spending on living expenses was less than its total income?
   - Yes [assign 1 point]
   - No [assign 0 points]
6. In the **last 2 months**, have you been charged a late fee on a loan or bill?
   - Yes [assign 0 points]
   - No [assign 1 point]

   Total your points: A score closer to 8 indicates a stronger financial condition. Your baseline score can be improved though by taking the rest of this course. When you've finished the course, come back to see what improvements you've made.

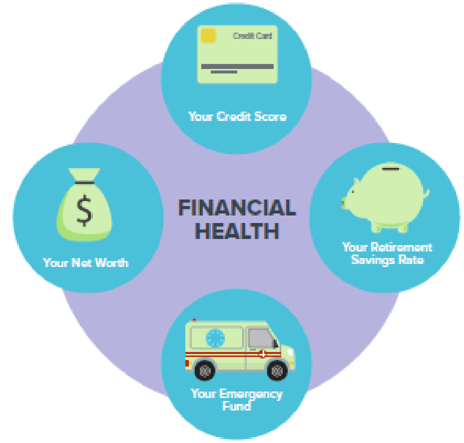
Adapted from the Rutgers Cooperative Extension Financial Fitness Quiz Center for Financial Security (CFS) Financial Capability Scale. *These assessments are provided by Rutgers's New Jersey Agricultural Experiment Station (NJAES) and the University of Wisconsin-Madison Center for Financial Security (CFS).*

Refresh Your Financial Knowledge

Visit SAM's Spending and Saving and Credit and Debt courses to learn more about financial concepts and terms like spending plans, financial goal setting and credit records.

Size Up Your Financial Well-Being

There are four numbers that give an overview of your financial security. Keep in mind, these numbers will change, so check in with them periodically.



1. Your net worth (what you own and what you owe)
2. Your credit score
3. Your short-term emergency savings
4. Your investments and long-term savings

Of course, you probably won't tackle all four areas at once, but you may find that achieving a level of success in one will lead to attainment of another.

1. Size Up Your Net Worth

Net worth is the total value of what you own (your assets) minus what you owe (your liabilities). Nothing more than that – just a snapshot for a point in time. Some people view net worth as your "wealth." A growing, positive net worth is the aim to help you achieve your financial goals and pay for your retirement.

Calculate Your Net Worth

Use this worksheet to calculate your net worth.

Calculate Your Net Worth			
Assets	**Value**	**Liabilities**	**Value**
Cash		Home Mortgage	
Checking		Second Mortgage	
Savings		Home Equity Line	
Savings Bonds		Student Loans	
Money Market Accounts		Auto Loans	
Certificates of Deposit (CDs)		Credit Cards	
Other Cash Items			
Home (if you own)			
401(k), 403(b)			
IRA(s)			
Annuities			
Retirement Plans			
Mutual Funds		Other Debts	

Stocks			
Bonds			
Brokerage Accounts			
Other Real Estate			
Other Assets or Personal Investments (vehicles, businesses, etc.)			
Total Assets		**Total Liabilities**	
Net Worth (Assets minus Liabilities):			

Adapted from [Savings Fitness: A Guide to Your Money and Your Financial Future]() from the U. S. Department of Labor

Now that you know your net worth, you probably want to see how you compare to others. Comparison is a slippery slope. We all have different values and needs, so it can be more productive to focus on your particular lifestyle, level of comfort, happiness and sense of financial security.

2. Size Up Your Credit Score

Your credit score is a snapshot of your ability to manage credit and pay back debt. A lower score can make it harder for you to get car and home loans and might mean higher interest rates on money you borrow. You can get your credit score through:

a. A credit card or loan statement, or financial institution where you have an account
b. A professional, nonprofit credit counselor
c. A credit score service
d. Purchasing a score from one of the credit reporting companies (TransUnion, Equifax or Experian)
e. Asking for your score from a creditor with whom you applied for credit (e.g., mortgage lender)

How's Your Credit?

Where do you rate your credit history and credit score? Mark one:

- Exceptional – I have little trouble getting the credit I need at preferred rates.
- Very Good – I have little trouble getting the credit I need, usually at preferred rates.
- Good – I am mostly approved for credit, but creditors sometimes ask questions about items on my credit report.
- Fair – I have some trouble getting the credit I need. When I do get approved, it's usually at a higher interest rate than I would like.
- Poor – I've been turned down for credit frequently. If I can get credit, I usually have to pay a fee or set money aside as security for a loan.

Understand Your Credit Score -

Your credit score is a number that is calculated using information in your credit report. Most lenders use credit scores rather than credit reports because the scores reduce extensive, detailed information about your financial history to a single number falling in the range from poor to exceptional.

Not all lenders use the same credit score. A good score depends on the scoring model used to calculate it. Most consumers are familiar with the FICO score, which is the standard, but there is another competing credit scoring system, VantageScore, which was developed by the three major credit bureaus.

FICO Score Ranges

800+	Exceptional. You likely will have little trouble getting approved for credit and will qualify for the best loan terms.
740-799	Very Good. You likely will qualify for better interest rates.
670-739	Good. Lenders see you as an "acceptable" borrower, but may require answers to additional questions about your credit history.
580-669	Fair. You might have difficulty getting credit. When you are approved, it likely will be at a higher interest rate.
579 and lower	Poor. This reflects some real hardships, such as bankruptcy, or a borrower who has not built up credit yet. Now is the time to make a plan to get your rating higher. If you are granted credit, you might need to put down a deposit or pay a fee.

FICO Score Ranges from SAM Money Basics: Credit and Debt

Review your credit report at least once a year and continue paying down debt to improve your score. Find out more in SAM's Credit and Debt course.

3. *Size Up Your Short-Term Savings*

The ability to absorb a financial shock is a measure of your financial well-being. The average duration for a person to remain unemployed after a job loss is just over 27 weeks (approximately seven months), according to the Bureau of Labor Statistics (BLS). In addition to having emergency funds for car repairs, medical bills or home maintenance, it's a good idea to have funds in an easily accessible savings account to cover several months of expenses. If you are your family's primary income provider, you probably will want to save more.

Rate Your Emergency Fund Readiness

To begin, calculate your monthly spending. Use the Spending Detective Worksheet to add your expenses and classify them into needs and wants that you pay for each month.

Now, concentrate only on the needs column in the worksheet and mark the time to complete this sentence:

I have enough emergency reserve funds readily available to cover __________ months of regular expenses.

- 0 to 1 month
- 1 month
- 2 months
- 3 months
- 4 months
- 5 months
- 6 months
- Over 6 months

Learn how to set up emergency funds through SAM's My Emergency Fund Plan course.

4. *Size Up Your Long-Term Savings*

Take a Guess:

What percentage of working-age households are at risk of not maintaining their standard of living once they retire? Click on one of the options below:

10 percent

25 percent

50 percent

60 percent

Answer 50 percent

Source: The National Retirement Risk Index (NRRI) as reported by the Center for Retirement Research.

The percentage of your salary put aside for retirement is your retirement savings rate. Even in retirement, you will want the financial freedom to make choices that allow you to enjoy life — one of the core aspects of financial well-being.

According to the Center for Retirement Research at Boston College, if you are 35 years old and earning an average wage (around $48,000), you should be saving about 15 percent of your earnings toward retirement, assuming you retire at 65 and earn a 4 percent rate of return.

Establishing a regular savings habit at a young age, earning a decent rate of return and retiring later are crucial elements to determining your own retirement savings rate.

How Much Is Enough Retirement Savings? –

Use AARP's Retirement Calculator to find out your progress toward retirement savings. When you get your results, you can adjust components to see how decisions such as retirement age affect your savings needs.

Want More Information on Retirement?

Visit SAM's Retirement Planning course for more information related to saving for retirement and estimating your retirement needs.

Keve and Meghan

No one starts out a financial expert. And, as Keve Brockington found out, even a financially sound upbringing can get lost when you begin your own journey into adulthood.

What areas of your financial life will need attention as you size up your current state of affairs?

Identify Your Resources

In addition to having money in the bank or investments, think about other resources you have that support your lifestyle and future needs, keeping in mind that some resources may not be financial. These become your community resources.

Examples include:

- **Friends, family or business people** who can help you in your financial decisions.
- **Community services** that offer public transportation options, education centers, job training or cultural events.
- **Schools, hospitals, churches, libraries or recreational centers** that offer free or reduced-cost clinics, child care, education and training.
- **Work benefits** such as life insurance policies, legal help, identity theft protection or health programs that reward you for positive behaviors.
- **Anyone you know** who can provide connections to credible advice and expertise you may need.

List Your Resources

Brainstorm people and assets in your life who are community resources. Write down names of people, organizations and services as well as the functions they serve to help you build toward your future goals.

What's in Your Future?

Where do you see yourself in the future? Sounds like a loaded question, right? After all, it's hard enough to think about what you'll be doing next year. So thinking about your future self – say, 25 to 30 years from now – may be daunting. Instead of focusing on retirement, allow yourself to dream about the life you want to lead as you move into the future. Concentrate on the life you've always wanted to live. What characteristics define your life and when do these things occur?

What Do You Want Your Future to Look Like?

Think of yourself as a financially secure individual both at this moment and in the future. How do you live your life as that person? What dreams could you fulfill in this life?

We all want something different for our future, and the concept of future is different for each of us. What will yours look like? Mark a timeframe for each "future" concept below.

Aspiration	Already Doing This	Near Future	Within a Few Years	Far Future	Not Applicable
Buy a home					
Buy a car					
Pay off debt					
Establish an emergency fund					
Travel					
Retire					
Have peace of mind					
Be financially secure					
Invest in the stock market					
Work for myself					
Financially support a child's education					
Have good health					
Take a family vacation					
Volunteer					
Donate to charities					

Help other family members					
Change careers					
Earn a professional certification or degree					

You probably have other, more personal concepts for your future as well. Print this worksheet off and add them to it.

Rate Your Confidence Level

Now think carefully. How confident are you that you will be able to achieve the items in the time frame indicated?

- I will achieve all in the timeframe indicated.
- I will achieve some in the timeframe indicated.
- I most likely will not achieve any in the timeframe indicated.
- I simply don’t know.

Why is This So Hard?

Thinking about your future is difficult. We all live in the present moment, especially in this era of social media, when you snap, tweet, click and post updates about your life constantly. But no one follows your savings progress or clicks “like” when you pay down your debt. Adjusting your living now for your future life probably isn’t exciting to anyone but you. So you have to find ways to track your progress and celebrate your own successes in ways that feel meaningful.

Section 3: Analyze Your Circumstances

Building sustainable financial security and well-being is a lot like staying physically healthy; it requires some regular maintenance and monitoring your progress. Sounds simple, right? Well, ask anyone who has tried die ting just how simple it is.

Changing your habits to build financial well-being is a process of small steps that, over time, become a part of your daily routine and feel automatic. There is no magic number of days to changing your habits permanently, but monitoring your progress lets you identify (and celebrate) positive changes, and seeing progress over time can become a motivating factor in itself.

What Has Worked for You in the Past?

Before you contemplate actions and habits to secure your financial well-being, consider goals you've accomplished in other areas of your life:

- What actions and plans have worked for you to improve professionally, in family situations, or in your personal life?
- How have you overcome other life challenges?
- Have you sought help from an organization or a person?
- How did it make you feel when you began to tackle the problem?
- Did you feel a sense of pride and accomplishment?
- How have changes to your habits or routine affected your life and your family's life?

Honestly answering these questions can help you discover activities you should incorporate (or avoid) in plotting a course for your financial security.

What Helps or Hinders You?

Now take a moment to think about your current financial ambitions. Ask yourself:

- What are you doing right now that helps you? Are you using anything you've used in the past to achieve success?
- What are you doing right now that hinders you? Is this something you've done in the past? How did you get past it?
- What is holding you back? Are there any steps you can take to remove this roadblock?

Habits that Build Financial Well-Being

Definition of Financial Well-Being

According to the CFPB, financial well-being is defined as:

> "A state of being wherein you have control over day-to-day, month-to-month finances; have the capacity to absorb a financial shock; are on track to meet your financial goals; and have the financial freedom to make the choices that allow you to enjoy life."

With this definition in mind, SAM suggests these guiding principles for structuring your financial habits:

- **Spend less than you earn.** Bolster your savings and reduce your expenses. Remember, just because you can have something doesn't mean you need it.
- **Save for future spending.** Get yourself into a habit of saving. Start simple by taking advantage of any automated savings or investments that exist. Then build your habit, checking in as you get closer to your goal.
- **Only borrow what you can afford.** Don't deny yourself, but avoid spending for an outward show or status symbol. Consider the loss to your long-range goals when you choose to spend now. Remember, every dollar borrowed today is a dollar less to spend tomorrow.
- **Grow your money.** Work with a financial or tax advisor to structure investments so you can gain tax advantages. Contribute as much as you can to employer-sponsored retirement plans, especially if your employer makes matching contributions.
- **Boost your earning capacity.** Even as your earnings increase, try to live off a set income level and add to your investments. Allowing your interest-earning accounts to grow will help you offset any downturns or emergency expenses.
- **Protect what you have.** This applies to not only insurance for yourself, your property and income, but also your investments.

Give Yourself Permission

First and foremost, the path to financial well-being starts by giving yourself permission to want the things and the lifestyle you want. Negative associations with "being greedy" can keep us from actually achieving what we want. But the only person standing in your way here is you.

Start by giving yourself permission to:

1. **Take care of your financial well-being**. Knowing how you truly feel about your financial goals and progress toward reaching them is key. If you are happy with where you are, it shouldn't matter what others think of your choices.
2. **Set your financial goals as priority over other people's goals**. Look out for yourself and what is important to your financial well-being.
3. **Say no to requests that don't align to your values and financial priorities**. Many people, organizations and media messages try to influence your decisions. With clarity, you are the best decision maker about what is necessary for your future.
4. **Change your mind**. If your circumstances change or you have a new idea, you always can adjust your goals.

When you align what you want and what you need to be financially secure with your values, you are taking care of you. Setting your goals for your future lifestyle in alignment with your values gives you permission to set higher priority for your needs over others' needs. Then, once you have a good foundation, you can look outward to help others from a position of strength.

Reflect on Your Relationships and Money

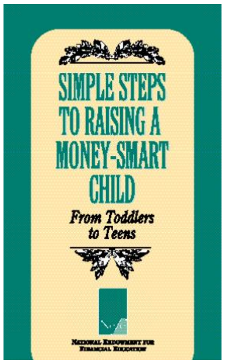
Think about when you were a young child

- Did financial matters get discussed in your family?
- Were you ever told that something cost too much or was too expensive?
- How did you feel about your family's financial standing as a child?

What about now, in your current life / relationships?

- Do you have input on financial matters?
- Do you hide spending or savings from your significant other?
- Are your values represented in the financial decisions that are made for your family?
- How do you feel about how money is used in your current relationship?

These are very personal questions and these can be tough issues to discuss with a significant other. But money matters affect many decisions in our lives. You are more likely to feel confident and satisfied with your finances if you feel your voice is represented in money decisions that affect you.



See Simple Steps to Raising a Money-Smart Child for tips on how to include children in these conversations and create an open and constructive dialogue about family money decisions.

Learn from Lindsey and Troy

Lindsey and Troy were engaged with a relationship based on trust and honesty — that is until Troy discovered that Lindsey was in debt and had overdrawn their bank account. Despite the financial secrets, they were able to overcome the troubles and now look forward to financial stability with some decisions made jointly and others made using separate accounts.

Resources

Take SAM's LifeValues Quiz to discover which values influence your financial decisions.

Investigate Your Habits

A positive mindset helps you in many aspects of your life, including work, relationships and health, but it also can help you along your path to financial security and well-being. Let's look at some areas of financial security to examine your habits and get some positive insights to building your success. Explore your habits in these specific areas of your personal financial life for greater insight into your behavior.

Spending and Saving

Feeling in control of your finances is key to financial well-being. To establish this control, SAM suggests developing habits for spending less than you earn and saving for future spending.

What are Your Spending and Saving Habits?

When it comes to spending and saving, what habits have you formed and what habits do you need to work on?

1. Do you follow a spending plan?
2. Do you spend less than you earn in a month?
3. What percentage of income do you save each month?
4. What do you do with windfalls (such as a raise, bonus or tax refund)?

Many people who feel financial secure use a spending plan (budget). A spending plan helps you prioritize by sorting out your “I want” expenditures from your “I need” expenditures. By paying attention to what you buy each month, you quickly identify any leftover money, which can increase your retirement savings rate, emergency fund and even your net worth.

A simple rule of thumb many people use for budgeting is 50/20/30.

- 50 percent of your take-home pay goes toward fixed expenses (mortgage or rent, utilities or loan payments).
- 20 percent of your take-home pay goes toward savings for the future.
- No more than 30 percent goes toward discretionary spending (your wants). Reductions in this kind of spending can be used to bolster your savings.

In reality, many people fall far below this guideline, many Americans report a personal savings rate of 6 percent, well below the 20 percent guideline, according to a study by the Federal Reserve Bank of St. Louis.

How do your saving habits measure up to the 20 percent guideline?

Credit and Debt

What is Your Debt Load?

As a general guideline, your total consumer debt load (credit cards, car loans, student loans — anything you pay monthly, except for housing) should be less than 20 percent of your annual net (after-tax) income. How do your spending habits measure up? Use a debt-to-income ratio calculator to assess your debt load.

Keeping up with the Joneses can be tough. You can end up in lots of debt trying to maintain the lifestyle of your friends and neighbors. There are many reasons we might spend to impress or keep up with others. Have you ever made a purchase for any of the following reasons?

- To show off your success.
- To experience instant gratification, the "high" of having what you want right now.
- Because you saw an advertisement that said you deserved something you didn't have.
- Because you envied someone else's apparent happiness.

When you compare yourself to others (which is especially easy to do on social media) and begin to believe that you could have their success if only you owned certain things or had a certain lifestyle, you open yourself up to potential pitfalls. This kind of thinking combined with easy access to credit can lead to taking on more debt that you can handle.

For most of us, happiness is the goal, and the purchases we think will bring us this happiness often disappoint. SAM recommends avoiding spending for an outward show or status and borrowing only what you can afford to repay in a short time frame. Following this guideline can boost your financial well-being by increasing your credit score, lowering your monthly debt obligations and increasing your savings.

Warning Signs of Too Much Debt

Having some debt isn't necessarily bad, but having more debt than you can handle in a reasonable time frame is stressful. Worrying about debt can affect your behavior, your relationships and your ability to achieve your financial dreams.

Have you found yourself engaged in any of the habits listed below?

Warning Signs of Too Much Debt from SAM Money Basics, Credit and Debt

“**SAM Tips**

Use caution with two costly types of borrowing:

Loan	Pros	Cons	Do This Instead
Payday Loans are used to bridge a short-term gap between your current needs and your next paycheck.	• Application for the loan is easier. • Usually doesn’t involve a credit check. • Can provide immediate cash, if used wisely.	• Works like a cash advance against your next paycheck. The cycle usually ends up repeating itself. • High interest rates (often up to 300 percent). • This is a legally binding loan agreement, and lenders will aggressively pursue borrowers for repayment.	• Put off purchases, if possible. • Ask friends or family for short-term help. • Consider a credit card cash advance.
Cash Advances allows you to borrow cash on your credit card, up to a certain limit.	• Money can be withdrawn at an ATM if using a credit card. • Pre-authorized checks can be deposited or cashed at your bank. • Offers quick cash, up to a certain limit.	• High interest rates apply, and lenders are not required to apply minimum payments (if combined with a credit card) to the cash advance portion. • Flat fees for the advance amount and ATM charges may apply. • Borrowing through cash advances can create a cycle of bad borrowing habits.	• Put yourself on a spending plan and look for money through cutbacks in your expenditures. • Use your credit card for purchases instead. • Ask family and friends for short-term help. • Shred all pre-authorized checks to avoid temptation. “

Resources

To get help with credit counseling, check out these nonprofit and government agencies:

- Federal Trade Commission
- Financial Counseling Association of America
- National Foundation for Credit Counseling (NFCC)

Make Your Money Work for You

One characteristic of financial well-being is having the financial freedom to enjoy your life. For many, that means accumulating monetary wealth. But, what if getting a better paying job or inheriting money from a loved one is not in your future?

SAM's principles suggest that you work to grow the money you have. Think of money as a valuable employee in your quest to accumulate more and achieve financial security. Examine your habits regarding:

- Working with advisors to grow your money
- Contributing to employer retirement plans
- Living off a set income when you have a windfall

Work with Advisors to Grow Your Money -

Have You Worked with a Financial Advisor?

Choose the statement that best reflects your work with financial advisors. I don't know enough about what financial advisors do to know if I need one.

- ○ I have never worked with a financial advisor, and I don't think I need to.
- ○ I have never worked with a financial advisor, and I don't know if I need to.
- ○ I have never worked with a financial advisor, but I would like to.
- ○ I have worked with a financial advisor, but I don't at the current time.
- ○ I currently work with a financial advisor, and I plan to continue.

You're an expert in many areas: performing your job, playing a sport, caring for your family, running your household, playing an instrument, engaging in a hobby, etc., yet when it comes to building and maintaining your financial security and well-being, you may need help.

According to a Harris poll by the National Endowment for Financial Education, about 36 percent of Americans don't know what financial advisors do. Here is just a sampling of services they can offer:

- Advise on spending and debt repayment goals
- Prepare financial and retirement plans
- Assess savings and investment options
- Evaluate tax advantages
- Create estate plans

Finding Qualified Advisors

If you think you need to work with a financial advisor, use these tips to help you identify one that is qualified and knowledgeable:

Working with an Advisor

- Ask for recommendations from family and friends, then interview at least three financial planners before making a choice.
- Ask for the planner's credentials and licensing in areas such as investment advice, securities or insurance.
- Ask about the person's work experience in financial planning.
- Find out how the advisor keeps on top of the latest trends; regulations change all the time, so current knowledge is important.
- Find out what you can expect regarding the extent of written advice offered, number of meetings, whether you are expected to purchase investments through the planner, etc.
- Ask for references from other clients.
- Discuss how the financial planner will be paid — by commission, fee and commission or fee only.

Contribute to Employer Retirement Programs

Although fewer companies provide traditional pension plans these days, many employers offer tax-deferred retirement savings plans, e.g., 401(k) and 403(b) accounts. Your contributions to these plans are tax-deferred, meaning that your contributions and any earnings on them are taxed only when you take the money out (usually after age 59 ½ when your tax liability should be lower).

- **Have an employer plan?** In addition to being one of the better tax shelters, many employers will match your contributions up to a certain amount, giving you free money toward retirement. Maximize your contributions to get the greatest contribution from your employer.
- **Self-employed?** You can set up your own tax-deferred retirement account, such as a Keogh plan, a simplified employee pension plan (SEP), savings incentive match plan for employees (SIMPLE), or IRA, and contribute the maximum amount possible.

A tax advisor can help you structure your contributions to these plans and suggest how to maximize tax advantages, grow your retirement savings rate and increase your net worth.

Live Off a Set Income When You Have a Windfall

When you start to make more money as you mature in your career or when you have a windfall such as a bonus, inheritance, sale of a property or tax refund, it is a good practice to continue to live off a set income. This sounds like another lesson in budgeting, but the focus here is using cash surprises to bolster your savings and increase your net worth.

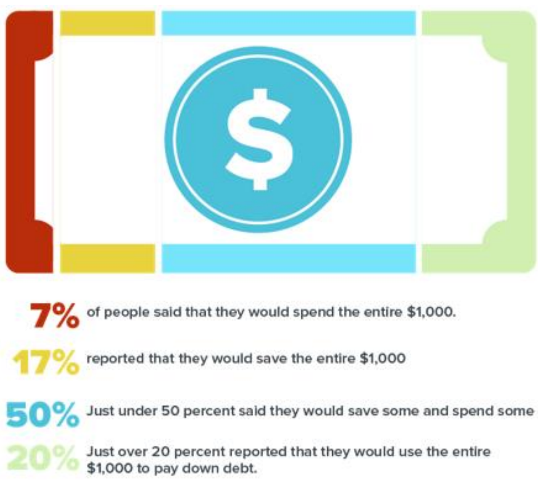
No matter how these windfalls come to you, what you do with them matters. If you know your goals, and you've thought about your values, you can feel confident when making decisions about what to do with that extra money.

How Would You Fare?

What would you do if you came across $1,000 unexpectedly?

- Spend it all
- Save it all
- Save some and spend some
- Pay down debt

In a recent study by the Federal Reserve Board, half of the respondents said they would "save some and spend some" if they received an unexpected $1,000.



* Harris Poll survey in April 2016 by on behalf of McAdam, LLC.

Resources

Before beginning to work with a financial advisor, use these sites to research and verify information about them:

- U.S Securities and Exchange Commission Investor.gov
- CFP® Board website (Certified Financial Planner)
- IRS Tax Preparer Directory

Get help understanding different retirement accounts at the IRS.

Protect What You Have

The ability to absorb a financial shock (to your property, health/life or income) is part of financial well-being. It's not always comfortable to think about a loss in any of these areas, but running scenarios can be helpful to prepare you when something bad does happen.

Insurance provides protection from financial loss and mitigates the risks that we all face at some time in our lives. Which of insurance types do you have?

Protect Your Property

Auto loan and mortgage lenders insist on insurance to cover your vehicle and your home. Renters insurance covers your personal property. All of these insurances also help protect you from liability claims.

Protect Yourself and Your Family

Protect your family's financial future with health insurance, workers' compensation, life insurance and long-term care insurance.

Protect Your Income

Safeguard your financial savings with disability insurance, life insurance and unemployment insurance to provide income for you and your family in the case of illness, injury or death.

Protect Others

Liability insurance, also called umbrella coverage, protects you against injury and property damage claims from others. Umbrella liability insurance goes beyond the underlying liability coverage provided in homeowners and auto policies, usually in increments of $1 million.

Focus on Catastrophic Events

Have you thought about what could happen if your income was reduced, for example, if you were suddenly struck by serious illness and were unable to work? Unpleasant as they are to contemplate, bad things do happen. Consider Michael's story.

Michael's Story

I am a financial planner, and I've helped quite a few clients get their financial lives aligned with their life goals and plans. Along the way, I tried to do the same thing for my wife and me. The future plans we set counted on a continuing stream of good income, and it seemed that would be the case.

That all changed at the beginning of 2016.

One moment, I was following my usual Saturday morning routine and watering the houseplants. The next moment, I was in a hospital emergency room. I was dying from aortic dissection, and required major surgery. After spending two months in three different hospitals, I was released to continue my recovery.

Now, my wife and I are living a different life than before the surgery. My job, and along with it, my steady income, terminated. Though I do some consulting work, I only earn a fraction of my previous income. As you might guess, we are pretty tight financially.

Though we once looked at long-term disability policy premiums as an unwelcome financial drain, we now see the policy as the financial lifesaver it is. My medical expenses continue, and already the cost is around $1 million. Without good medical insurance coverage, we would be sunk. As it is, between the two insurance coverages, we've been able to do OK.

Perhaps you can use my experience to provide direction for yourself. As a financial planner, I knew and accepted the guidance to have a financial plan and to live within its parameters. We had (and maintain) good insurance coverage, even though the premium expense is high. We had been saving and investing money for years, money which we can now use to supplement our income.

For me, life will never again be the same (according to my medical team). However, careful planning has, and will continue to help with our financial well-being. I can pretty much guarantee that it can and will do the same for you.

Resources

Use these resources to help you evaluate your insurer:

- National Association of Insurance Commissioners
- Standard & Poor's
- Moody's
- A.M. Best

Section 4: Make a Plan

So where are you on your path to financial well-being? If that question makes you squirm, there is good news. Regardless of how much you earn, you can start building small habits each day to achieve your financial aspirations.

This section of the course will lay out a checklist of short-term and long-term items for you to consider when you're trying to bolster your credit score, increase your retirement savings rate, shore up your emergency fund(s) and boost your net worth (the four main numbers that comprise your financial health).

Developing a Game Plan

$2,500 - the median balance of retirement savings for all working U. S. households

Source: National Institute on Retirement Security (NIRS)

Are you beginning to think you should have saved more when you were younger? Perhaps you simply spent everything you earned, didn't contribute to an employer retirement savings plan, or experienced a major financial setback such as illness, divorce or unemployment. You're not alone.

It's not too late to take action to secure your future. Here are some helpful tips to consider:

- **Pay down your debt**. Keep making minimum payments on all your debt, but pay even more on those with the largest balances and/or interest rates.
- **Pay off your mortgage**. If your mortgage balance is small enough, pay it off. If not, try to restructure it so you are making a larger payment over a shorter amount of time.
- **Increase your contributions to retirement plans at work**. At the very least, contribute up to the maximum of what your employer contributes (e.g., 6 percent of your pay).
- **Defer taxes using an IRA**. You can contribute up to $6,000 per year if you under 50 and $7,000 per year if you are older.
- **Stash away money from raises or bonuses**. There's no need to spend more than you currently do, so put this money to work for you.
- **Delay retirement**. If you can work until age 70, your Social Security benefits will increase.

Set Goals Aligned with Your Values

One of the first things you need to do is give yourself permission to want the things you want and pursue the goals that matter to you. This basic step starts with your values and your goals.

1. If haven't already done so, complete SAM's LifeValues Quiz to learn about the values that shape your financial decisions.
2. Set goals that keep you focused on your priorities and aid your decision-making as you build momentum.

   Focus on your goals for the four main areas used to determine your financial health: your net worth, your credit score, your short-term savings and long-term savings. Identify actions you could take in each area.

   For example, use this simple phrase to help you set a goal for your emergency fund:

   I want to have $ _______________ in an emergency fund by __________ [Date]. I will aim to save $ __________ each (paycheck, week, month, etc.) to reach my goal.

Identify short-term, mid-term and long-term goals. Make SMART goals that are:

- **Specific**
- **Measurable**
- **Achievable**
- **Realistic**
- **Time-bound**

In the **short-term**, you may just focus on gathering information: get your credit score, assess your retirement savings rate, and calculate your emergency fund savings and net worth.

For **mid-term**, maybe you shift to writing specific goals in each area (net worth, credit score, short-term and long-term savings) that you want to achieve in the next six months.

Lastly, your **long-term** goals might focus on where you want to be in five years. Even though that's not very far off, it is very likely your goals will change as time goes by. Start with this "near-future," monitor and modify as you need.

Transform "I Can't" to "I Can" -

The power of your inner language is amazing. Today, take stock of how many times you tell yourself you can't do something or don't have time or will do something later. Transforming those avoidance phrases into positive phrases and actions can have life-transforming (and finance-transforming) upshots.

Stay focused and positive. What reward will you give yourself to celebrate reaching milestones? Who will you ask to help you celebrate? What will you do to eliminate negative self-talk?

Spend and Save Mindfully

Increase your retirement savings rate, emergency fund(s) and even your net worth using a spending plan, spending less than you earn and automating your savings.

Pay Yourself First

Think of saving as paying yourself first. Even if it's hard to resist spending today, you need to realize that you are taking money away from the future you when you spend.

For the **short-term**, make it a priority to set aside a portion of your pay for savings.

Here are some ideas to get started:

- **Automatically save from your paycheck.** Have your employer automatically deduct money from your paycheck and deposit it into a savings account or other interest-bearing account. What you don't see, you won't miss.
- **Automatically transfer savings from your checking account once a month.** Set up an automated transfer to move a set amount of money from your checking account into your savings account each month.
- **Use savings apps.** Choose a savings app or financial product that automatically saves every time you make a purchase. Some apps will round up to the nearest dollar of every purchase and put the remaining change into savings — for example, if your purchase is $3.55, the savings app would add $0.45 to your account.

In the **mid-term**, set up a spending plan and hunt down spending leaks.

- Use this Budget Worksheet for two months to **establish your budget** (spending plan) and track your actual expenditures. Modify the budget if you underestimated any spending items and then come to a budget that works and can be used for six months.
  It can help you identify where you are spending cash that could otherwise contribute to your savings and investments. If you find extra money to be saved, add it to your spending plan.

Your **long-term** activities should include tracking down ways for your additional savings to work for you. Money sitting in a bank is safe, but it's not earning much for you. Put it to work in a low-risk interest-earning account and reap the rewards.

Manage Credit and Debt

Maintaining a healthy credit score and controlling your debt has significant impacts on your financial health and well-being. Your net worth will significantly increase if you can manage your debt.

Tackle Your Debt

A **short-term** strategy to tackle your debt is first understanding how long it will take to pay it. Use this debt payment calculator to examine how long it will take to eliminate your debt.

After you know how long it will take you to pay your debts, aim for these best practices:

- Always pay on time.
- Pay more than the minimum payment due on credit card debt – start with the highest balances first.
- Make extra payments when possible to reduce the outstanding balance.

Prepaying Your Mortgage -

When you can afford to do it, consider making an extra payment to the principal on your mortgage. Even a small amount like $25 extra each month can save you thousands of dollars in interest payments over the life of the loan.

Monitor Your Credit Report

For a **mid-term** activity, monitor your credit report for an entire year to see if you can raise your credit score.

You can pull your own, free credit report once a year from each of the three nationwide credit reporting agencies: Equifax, Experian and TransUnion. Because you can request up to three per year (one from each of the three major agencies), it is recommended that you request one every four months to keep a continuous track of your record.

Order your free credit report at Annual Credit Report.com.

Live Below Your Means

Living below your means doesn't mean you have to live poorly, but it does mean you evaluate your choices and always consider the future consequences of your spending.

Which of these ideas can you make **long-term** strategies over the next five years? See if you can save some money while still living comfortably:

- Switch to a low-cost phone plan, discontinue your land line or ditch some mobile devices
- Get rid of cable (at least the premium channels) or go to bundled services
- Keep your car longer or take public transportation
- Live in a smaller home or apartment
- Eat out less often, but eat well when you do go out
- Switch banks to avoid costly fees
- Try clothing swaps or thrift stores before buying something new
- Do your own home improvement projects
- Pay in cash rather than charging on credit cards

Make Your Money Work for You

With the help of a financial advisor, you can reap the benefits and tax advantages of making your money work for you. Even though you may have small savings, each time your money grows you will have more to work with. If you don't think you can afford an advisor, research free and low-cost counseling services through your local government, library or community nonprofit organizations. Just make sure you know what you will be charged and what services the counselor or advisor will provide.

Contribute to Retirement Plans

For a **short-term** strategy to increase your retirement savings rate, find out what you can do to put money in tax-deferred retirement plans. Consider these options:

- **Max Out Matching Contributions**

  If your employer matches contributions to a 401(k) or other retirement benefit, don't say no to free money. Planting money for growth today will be what makes you financially secure tomorrow.

  Some employers match a portion of your contributions to 401(k), 403(b) or similar investments up to a certain level. Try to contribute up to the maximum that the employer will match because this essentially is free money. For example, if your employer will match up to 6 percent of your pay, then you should plan to contribute at least 6 percent to get the full benefit of the matching contribution.

Does your employer offer matching contributions to a 401(k)? Find out when you can sign up for the account. Or, if you like what you see at *my*RA, sign up for an account and automate the contributions from your paycheck.

Consider Investments

Investing is one method that puts your money to work for you, but market fluctuations and poor performances can baffle even the most qualified advisors. If you want to consider investing as a way to boost your retirement savings, consider working with a financial advisor who can help keep your investments at a risk level appropriate for you.

As a **mid-term** activity, consider what you know about investing and your risk tolerance. That way, when you meet with a financial advisor, you will be more familiar with terms and your level of comfort with this topic.

Determine Your Risk Tolerance -

An important part of planning your investment strategy is understanding how much risk you're willing to take and which types of risk most worry you. Your risk tolerance is the degree of uncertainty you are willing to take on to achieve potentially greater rewards.

Take Steps to Reduce Your Taxes

As the saying goes, two things are certain in this life: death and taxes. But, with planning, you can minimize your tax liability and keep money for yourself.

When you file your taxes or have someone prepare them for you, are you sure you're getting all the tax advantages, credits and deductions you should? A **long-term** strategy is organizing so that you can find all your tax documentation when it's time to file taxes next year.

Find and devise a method for keeping records on the following:

1. Medical and dental expenses
2. Work, education or moving-related expenses
3. Charitable contributions
4. Income or property tax payments

5. Retirement contributions
6. Child care expenses

Additionally, consider these questions:

- Do you deduct items like qualifying contributions to retirement plans, one-half of self-employment taxes, alimony payments, contributions to health savings or dependent care accounts, qualified moving expenses, educational tuition and fees, etc. to reduce your adjusted gross income (AGI)?
- Have you filled out your W-4 form to put all the money you possibly can into your pocket?
- Are you familiar with the tax deductions and tax credits you can take?
- Do you work with a financial or tax planner to ensure you are doing the most you can to reduce your taxes and bolster your savings?

Did You Know?

There are free and low-cost tax preparation services available to many Americans who make less than a certain amount of income. Before you pay someone to do your taxes, check out these resources.

Protect What You Have and What You Earn

A fire from a candle left burning overnight, a car crash that interferes with your ability to drive, a hailstorm that damages your roof or an illness that leaves you hospitalized for 60 days – none of these are pleasant to think about. In addition to damages to property and person, recouping monetary losses can put your credit score and savings at risk.

In the case that such catastrophic events occur, you need to know what insurance you have and how to make claims.

Evaluate Your Protection

Whether you are employed or carry your own insurance coverages, find out answers to these important questions in the **short term**:

1. What insurance do you have against property losses? Through your auto or home (renters/homeowners) insurances, what is covered and what are your deductibles?
2. Which types of health insurance do you have? What premiums do you pay and what are your out-of-pocket costs for co-pays or deductibles? What are your maximum out-of-pocket costs for health care?
3. Does your employer offer workers' compensation? What actions do you have to take if you are injured at work?
4. What kind of life insurance do you have and what does your employer offer? Are there options for long-term care or rehabilitation?
5. Does your employer offer short-term or long-term disability insurance? When does each type of policy take effect?
6. Do you carry liability insurance in case others are injured on your property?

Shop Your Coverage

For a **mid-term** action, annually review your insurance coverages and your needs. Shop around for different carriers to compare prices. Shopping around is the best way to reduce what you pay and keep more money for your pocket.

As with anyone you hire to help you, make sure your insurance agent or broker is committed to your needs. Insurance policies are not one-size-fits-all. You want to work with someone who understands your goals and will not try to sell you something you don't need. When interviewing potential agents or brokers, ask:

- Which companies' products can you offer?
- How long have you been in the business?
- Can you provide references from other clients?
- What discounts apply?
- How are you paid? (This is important because you may be charged a fee.)

Prepare for the Long Haul

Eventually we all will need someone to care for us as we age. For Baby Boomers, the time is now to consider long-term care insurance. Unlike many other insurances though, this one is quite complicated. Make a **long-term** plan to explore your options. If you are considering purchasing a long-term care policy:

- Plan on spending no more than 5 percent of your income on a policy.
- Choose a policy that covers all levels of care (e.g., home health care, assisted living, nursing home).
- Read the policy, especially the exclusions, carefully.

There are differences of opinion about the best types of coverage, elimination periods, maximum benefit years and other items found in LTC policies. Be sure you consult with experts before settling on specific benefits.

Measure and Evaluate Progress

Remember, it's important to not only have goals, but also to measure your progress toward them. In this course, you've established some financial well-being goals. But along the way you've also explored short-, medium- and long-term activities you can work on for specific topics that contribute to financial well-being.

Here are some ideas for checking in with your progress and recognizing completion on your actions and goals.

1. What is the first step you have to take, the second, the third, etc.? Map out what it will it look when you are finished with each step. What reward will you give yourself when you finish each milestone?
2. How will you monitor your progress toward the overall goal or action? What evidence will you have of this progress? How will you know when you've succeeded?
3. How will you boost your confidence to achieve the overall goal or action in the time period you set?
4. What will you do if you have a setback? Will you make adjustments, and who can help you make them?
5. Who else needs to work with you to make sure you stay on track?

Section 5: Conclusion

Financial Well-Being Resources

Calculators

- Visit ChoosetoSave to calculate savings goals, savings potential, compound interest, earnings from potential investments and more.
- Use AARP's Retirement Calculator to estimate how your current retirement savings habits are working for you.

Credit, Debt and Spending

- The Consumer Financial Protection Bureau is a government agency offering free information to consumers on credit matters.
- Check in with your personal credit management policies with the Wise Credit Management Quiz at Rutgers State University.
- Test your knowledge about your credit score with the Credit Score Quiz from the Consumer Federation of America and VantageScore.
- To create a spending plan or get help negotiating with lenders, try these non-profit agencies:
  - National Foundation for Credit Counseling (NFCC)
  - Financial Counseling Association of America

Insurance

- The Insurance Information Institute offers insurance statistics and a glossary for common insurance terms.
- Visit LongTermCare.gov for information on caring for aging family members or preparing for your own long-term care, including what is covered by Medicare/Medicaid.
- The National Association of Insurance Commissioners (NAIC) offers a public education program (InsureU) to help you with insurance information.
- Use the National Association of Insurance Commissioners' website to check if an insurer is licensed in your state. Check for complaints and whether the claims are serviced promptly. The site also offers a map to help you locate state insurance departments for company and agent licensing information.

Investing

- Use the CFP Board website to find a CFP® professional in your area.
- Check your broker's background information at the Financial Industry Regulatory Authority (FINRA).
- Investor.gov is a website sponsored by the SEC's Office of Investor Education and Advocacy. It provides online resources to help you become a better investor and avoid fraud.
- The U.S. Securities and Exchange Commission (SEC) has several tools to help you verify the information your investment advisor provides.

Publications

- The United States Department of Labor offers a guide and topics related to saving for retirement.
- The Federal Reserve Bank of Dallas provides a free resource called Building Wealth: A Beginner's Guide to Securing Your Financial Future.

Social Security

- Look up your projected Social Security earnings and research how to start taking Social Security benefits.

- Create your Social Security account and check recorded earnings on your statement annually.

Spending and Saving

- America Saves helps you reach your saving goals with tools and inspiration.
- National Foundation for Credit Counseling offers free or low-cost counseling to help you get out of a financial crisis or improve your money management.

Taxes

- If you do your own taxes, the Internal Revenue Service (IRS) website provides a lot of information to help you, including criteria for:
  - Individual tax credits such as the Earned Income Tax Credit (EITC) and the Saver's Credit (a retirement savings contribution credit) for low- to middle-income working people.
  - Education credits such as the American Opportunity Tax Credit (AOTC), for students enrolled in their first four years of higher education.
  - Individual and business deductions such as charitable contributions, home offices and losses due to disaster and theft.
  - Same sex couples and taxes. The IRS provides answers to frequently asked questions for individuals of the same sex who are married under state law on its website.

- Publication 529 from the IRS explains which expenses can be claimed as miscellaneous itemized deductions to help lower your tax bill.
- Publication 17 from the IRS is a comprehensive guide to completing federal income taxes (make sure you are using the correct publication for the tax year).

Course Conclusion

Congratulations!

You have completed the Financial Well-Being course. Check out SAM's other free courses to continue your personal finance journey:

SAM Money Basics

These topics form the foundation that underlies most financial decisions. Take all the Basics courses, or jump around to get a refresher based on the choices you face right now.

- Employment
- Insurance
- Investing
- Spending and Saving
- Credit and Debt

Additional Courses

Explore these SAM courses to develop personalized plans in the following areas:

- My Emergency Fund Plan
- **My Housing Plan**
- My Transportation Plan

Disclaimers

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