



FINANCIAL WELLNESS

By Ven. Adelowo Adesina

In the Post-Covid, as a result of the psychosocial challenges like stress, anxiety, depression, burnout, domestic violence, suicide, etcetera, being experienced world-wide, health and wellness ideologies and programs have grown in popularity as people are increasingly embracing the idea of better quality of life.

Wellness has been variously defined. According to Greg Anderson, “Wellness is the complete integration of body, mind and spirit – the realization that, everything we do, think and believe has an effect on our state of well-being.”

Authorities agree there are eight dimensions of wellness. These are:

- » Physical wellness
- » Emotional wellness
- » Social wellness
- » Spiritual wellness
- » Intellectual wellness
- » Occupational wellness
- » Financial wellness
- » Environmental wellness



About OPTIMAL

Optimal is a monthly wellness newsletter written, developed and circulated by **Sages & Scribes Consultants** aimed at informing, educating and improving on the general wellbeing of readers by focusing on the essentials for improved mental health, and how to live a vibrant yet practical life in the present reality.

In this edition, our focus is on **Financial Wellness**. Nothing negatively impacts all other dimensions of wellness more than financial stress and anxiety. This as a result, brings to light, the need for financial literacy, prudence and management, that will lead to financial wellness.

Improve your wellness, optimize your wellbeing and enhance your lifestyle with **OPTIMAL**.



“Wellness is the act of practicing healthy habits on a daily basis to attain better physical and mental healthy outcomes, so that instead of just striving, you are thriving.”

Pfizer



“A person either disciplines his finances or his finances disciplines him.”

Orrin Woodward

In this edition of Optimal, Financial Wellness takes the central stage for three principal reasons.

Firstly, it has been established empirically that problems caused by financial stress or insecurity affect negatively, all other dimensions of wellness.

Secondly, because more and more people, especially the middle class are not just falling but are sinking deeper and further into the debt and poverty traps. Rather than being concerned about financial prudence, they focus more on life-style issues. They are more preoccupied with which opulent gated estate to live in, what elitist ivy league schools and colleges home and abroad to send their wards and children to, what latest makes and brands of vehicles to ride, what designer clothes, shoes, bags, wrist watches, gadgets, phones, and accessories to acquire; spending money they do not have to impress people who do not care or matter.

Thirdly, because the time has come, and the time is now to begin to teach the generality of people lessons in personal financial literacy, personal financial prudence and personal financial management that will result in financial wellness.

Simply defined, financial wellness, which is sometimes also referred to as financial well-being, is the ability to have a healthy financial life. That is, the ability to meet and fulfil all financial obligations without debts and worries with some reserves.

The opposite of financial wellness is financial stress, financial insecurity, financial instability often associated with debts, poverty, destitution, bankruptcy, depression, suicide, etcetera.

According to Consumer Financial Protection Bureau (CFPB) 2015. Financial Wellness has four main components. These are:

- » Having control over day to day and month to month finances
- » Being able to handle financial emergency
- » Being on track to meet financial goals

Having financial freedom to make choices that allow you to enjoy life.



Why Financial Wellness



Financial health is needful and necessary for the attainment of wellness in all spheres of life particularly the other seven dimensions of wellness.

To cultivate financial health, individuals will have to drastically change (paradigm shift) their attitudes, habits, and lifestyles by following the steps outlined below:

1. Set Financial Goals



Craft long, medium- and short-term financial goals. Your goal is to draw a budget based on your monthly income, expenses, and savings. Live within your means – cut your coat according to its size.

- Fit your expenses and purchases to your budget. Avoid overspending especially on unnecessary items.
- Practice self-control – avoid impulsive buying.
- Think functionality – ponder if you really need to buy the latest and the best.
- Make your buying decisions based on value – capital expenses on capital goods like houses and motor vehicle should be based on the value you get on them over its entire lifecycle and a higher residual value. This allows you to enjoy the asset and get a healthy return on them when you decide to dispose of them.



2. Cultivate the Saving Habit

Saving is a habit. If you earn very little and you don't discipline yourself to save, you still wouldn't save when you begin to earn much. Many people would have loved to save but find it difficult and fail to save. They say things such as, “where does all my money go? I am ‘broke’ before the end of the month.”

“My take home pay does not take me home.”

People who desire to save and don't get round to save make one fundamentally mistake. They erroneously want to spend before saving. The right approach is to “save and spend what is left.” There is a Christian principle for saving. It is known as the 10/30/60 rule. The idea is to first pay your tithe, save about one-third of your earning and learn to live on what is left. Cultivating the saving culture can help you build a financial egg-nest.

From saving, you should graduate to investing. Your investment portfolio should be diversified and balanced. Your investment portfolio should include landed properties, buildings, stocks and bonds, liquid cash in local and convertible currencies.

3. Have an Emergency Cash Reserve

Emergencies are inevitable – as they say, life happens. Many people have been ruined, thrown into sorrow, sickness, afflictions, untold hardship even death because they failed to plan and save for emergencies, unplanned events, and sudden needs.

Those who practice financial wellness tend to spend wisely, save, and have contingency accounts from where they can draw funds and utilize such for emergencies.



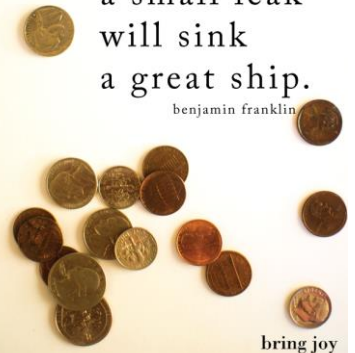
4. Pay off Your Debts

Many people are known to be overburdened by debts. It is however wise to establish a debt repayment plan to pay off debts:

- Set a particular amount of your earnings aside for debt repayment.
- Give standing order to your bankers to make monthly transfer to your creditors to offset what you owe.
- Handle all credits with diligence and care. Don't borrow for consumption. Borrow only for productive purposes to generate value and create wealth. Let what you borrow work for you and repay itself.
- If you are using credit cards for purchases, make sure you don't miss your monthly repayment.

Beware of little expenses;
a small leak will sink
a great ship.

benjamin franklin



bring joy

**“Do not save
what is left
after spending
but spend what
is left after
saving.”**

Warren Buffet

MONEY IS TO MY
SOCIAL EXISTENCE
WHAT HEALTH IS TO
MY BODY.

Mason Cooley
American aphorist
(1927-2002)

QuoteHD.com

The good news, though, is that all of us can improve the security of our futures through financial literacy. With a better understanding of the basics of finance—how to save, budget and invest—we can increase both our earning potential and our prospects for a solid financial future.

~Reba Dominski,
President of U.S. Bank
Foundation



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5. Cultivate the Maintenance Culture

Make sure you undertake periodic maintenance of your vehicles, generators, pumps, plants, equipment, and household appliances as at when due. Financially prudent individuals never neglect regular routine maintenance. What you neglect to maintain when due will ask for greater attention at a higher cost later.

6. Be Financially Literate

We are in the age of knowledge and enlightenment. Knowledge empowers, knowledge liberates. To be liberated from the negative and disastrous consequences of financial stress and ill-health, it is advisable for all and sundry to have basic financial literacy and debts avoidance strategies such as savings, investments, taxes and levies, personal financial planning, retirement planning and financial wellness.

Concluding Remarks...

It is important to understand that wellness is an intentional, ongoing, and holistic approach to making healthy choices in the eight major areas of life. Problems in one area can negatively affect the other areas. Improvement in one domain will positively affect other areas.

Summarily our discuss in this September Optimal edition looks at Financial Wellness – as the act of caring for and maintaining financial well-being, understanding financial literacy for making decisions about

money that are realistic, responsible and in line with your unique financial circumstances and situation.

Financial wellness has the biggest impact on the other dimension of wellness. For example, not having enough money for basic needs like food, housing, clothing, healthcare, school fees, etcetera can prevent you from caring for your physical, social, spiritual, and environmental well-being.

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