



Finances and family planning

Starting a family brings with it many feelings and expectations. As people begin their own families, whatever they may look like, there is a strong emotional component to these beginnings that often overshadow some of the practicalities involved. While a family is about belonging, safety, and love, they are also an economic unit, and an important one. For families at every stage, having a financial plan is a way to create a stable structure that can allow the emotional dimensions of family to function at their best.

At every stage of a family's growth there are particular financial pressures and expectations. Having a flexible yet reliable financial plan means you will be able to meet these expectations with minimal hardship. Below you will find some of the reasons financial planning is so crucial.

Finances and mental health

Money is a significant cause of stress for most people at some point during our lives. To some extent, this is to be expected, but when financial strife begins to overwhelm you, problems with anxiety and depression can be triggered. One of the best ways to avoid being overwhelmed by financial strain is to be prepared. This is why a financial plan is so important, and positively contributes to the well-being of your entire family.

How to get started

Your goal is to create a monthly budget and to stick to it. Before you can create a reliable and realistic budget, you need to figure out where you are at, and how much you actually spend. For one month, keep track of everything you spend. There are many smartphone apps that make this a breeze, and allow you to categorize where your money is going.

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1.844.880.9142 or workhealthlife.com



Now that you know where your money is going, ask yourself what your financial goals are. Are you trying to save for a real estate investment? Do you want the freedom to take more vacations? Do you want to save for your children's education? Knowing your goals will help you know how you need to change your spending habits.

Once you have a sense of how much you spend per month, your next task is to adjust it. This is where you will start to create your budget. There are many tools available to help with this, including apps, interactive worksheets, and guides. You can search online for one that best suits you or contact your EFAP to get started.

As with any potentially difficult subject, communication is key. Talk to the people in your family early and often about money. Have financial planning meetings. And as kids get older, insist that they too create budgets and adhere to them.

How to adjust with change

The unexpected is bound to occur. To be prepared for emergencies and all the other events you can't plan for, there are financial precautions you can take.

- **Set up an emergency fund.** Putting away a store of money just for emergencies is an important part of any family's savings landscape. An emergency fund usually consists of three-to-six months of living expenses.
- **Revisit your budget.** As your family goes through inevitable and welcome changes, you will need to revisit your budget and see if it is still serving your needs. Have your goals changed with the arrival of a second child? Did someone change jobs? Is retirement on the horizon? Even smaller changes might require some adjustments, so return to your budget often, and allow it to be flexible rather than fixed.

When and where to seek help

If you feel like you need extra support where finances are concerned — whether it is on the emotional level or a practical one, get in touch with your EFAP. They will be able to direct you to multiple services such as counselling and financial support services to help you in any way that you need. Financial planning can be daunting, and talking about money is something a lot of us are not used to. Bringing it out into the open is the first step towards feeling in control, and lessening the stress associated with money matters.

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Millennials: Your financial future is now

Millennials – that generation born between 1980 and 1999 – face a unique set of challenges when it comes to earning and saving money. Compared to their parents' generation, Millennials report higher levels of financial stress, and many say that they do not expect to ever reach the financial milestones such as buying a home or retiring early, that defined earlier generations' understandings of financial progress.

Millennials are highly educated compared to prior generations, and they both benefit from this and bear its burden – as higher education often means the reality of student loans to repay. This, combined with a decline in job availability puts this generation in a difficult position. Millennials face more uncertainty than any generation before them, as their career and life tracks do not follow the same narrative sequence that prior generations established.

However, Millennials have some unique spending and saving habits that give them an advantageous edge. Let's take a look at some of this generation's tricks and consider incorporating them into your financial picture, no matter your age!

- **Talking about money.** Compared to older generations, Millennials are much more likely to have open and honest conversations about money. They will comfortably share how they make a living, how they save, and what their debts are. Openness about money is a step towards lessened financial stress, as talking about something makes it easier to deal with it rationally.
- **Price comparing.** Their tech-savvy habits mean Millennials know how to seek out a great deal, using websites that allow them to compare prices and find the lowest one. Further, using apps that track coupons and other discount technologies like Groupon, Millennials know how to avoid ever paying full price.
- **In-pocket budgeting.** Smartphone apps are a great way to incorporate budgeting into your daily life. Many of these apps exist to help you track and alter your spending.

Tips for smart financial planning

Successful budgeting begins with clear identification of income and expenses. The latter should be broken into fixed expenses (payments that you have to make, such as rent, mortgage, loan payments etc.), and variable expenses (such as gifts, entertainment, travel etc.). Outlining your basic expenses will put you in an excellent position to begin taking control of your finances.

Assessing the situation

- Add up your income from all sources
- Determine the fixed expenses you have to pay, including rent, mortgage, utilities, loan payments, insurance, etc.
- Determine the variable expenses that you have some control over, including food, clothing, entertainment, travel, gifts, etc.

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- Track your daily pocket-change expenses for a week or more, including snacks, newspapers and spontaneous small purchases.
- Add an amount for emergencies that may crop up over the year.
- Add an amount for savings for the future.

Balancing income and expenses

Compare your income with the total expenses you have listed. If your income is greater than your expenses, reflect whether you could make better use of the surplus through saving or investments.

If your expenses are greater than your income, it's time to trim your budget. From the above exercise, you should be able to identify the amount you need to trim from your expenses. If your debt load is overwhelming, consider credit counselling.

How your EFAP can help

Whatever generation you belong to, financial planning is both practically important and good for your mental health. Your EFAP can connect you with resources that will help you learn to create and stick to budgets, learn how to invest smartly, and deal with the emotional strain that money can create.

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