

# A Financial Wellness Check-up in Eleven Steps



Wellness, at its core, means being in a good place. It can apply to a person's physical, mental, and even financial state. And yes, as nebulous as the concept might seem, a person's wellness can be measured.

Just as there are certain basic indicators — weight/body mass, blood pressure, cholesterol level, to name several — to measure a person's physical wellness, there are certain measurements to assess a person's overall financial wellness. And as important as it is for people to periodically get an assessment of their physical wellness, so too, is it critical that they periodically take stock of their financial well-being.

The following checklist provides a starting point for conducting your own financial wellness check-up. Use it to see where you stand, then, if there are specific areas where your financial health could be improved, consult with a CFP® professional for guidance on how to go about addressing those areas of concern. To find a CFP® professional near you, visit the Financial Planning Association's searchable USA database at [PlannerSearch.org](http://PlannerSearch.org) or [fpassociation.ca](http://fpassociation.ca) in Canada.

- 1. Personal balance sheet.** List all your assets (investments inside and outside retirement plans, cash accounts, home/real estate, and other assets) minus your liabilities (debts, including mortgage and other outstanding loans, credit card balances, etc.) to determine roughly what your net worth is. This helps you see where you stand in the big picture.
- 2. Household cash flow.** To determine your cash flow, figure your total income, then subtract your expenses. This helps you see whether you're living within your means, identify discretionary areas where you may be able to curb spending, and figure out ways to allocate more toward meeting your highest priorities.
- 3. Debt.** Are you able to pay down credit card balances wholly each month? Or do you struggle to pay off those balances and feel like debt is managing you instead of the other way around?

4. **Saving toward goals.** Are you making enough progress in setting aside funds to meet your short- and long-term goals — things like buying a car or a home, taking a vacation, funding a child’s education, and funding your own retirement?
5. **Cash reserve/emergency fund.** Do you have an adequate amount of readily accessible cash set aside for emergencies — preferably enough to cover at least three to six months’ worth of household expenses?
6. **Asset allocation.** Is your mix of assets, including investments, retirement plan holdings, bank account holdings, etc., appropriately diversified for your circumstances, stage of life, needs and goals?
7. **Credit score/rating.** Have you reviewed your credit score and credit report lately? When seeking to secure a loan, open a credit card account or take other important steps, your credit score can work for you or against you. Not only can a review of your credit report identify potential identity theft, but it can also help you identify steps to strengthen your overall credit score. It is therefore important to check with the major credit bureaus: Experian, TransUnion, and Equifax, on an annual basis to see where your credit score stands.  
Visit [www.annualcreditreport.com](http://www.annualcreditreport.com) to access a free credit report in USA. In Canada, call the credit bureaus below and follow the instructions.
  - Equifax Canada  
Tel: 1-800-465-7166
  - TransUnion Canada  
Tel: 1-800-663-9980 (except Quebec)  
Tel: 1-877-713-3393 (Quebec residents)
8. **Insurance.** Are you and your family adequately protected financially from risks to health and property? Which type of insurance do you need, and how much coverage should you have? If others depend on your income, do you have life insurance and disability insurance? If you’re a homeowner, do you have an adequate amount of homeowner’s coverage? If you rent, is your renter’s insurance coverage adequate? Is your health insurance coverage adequate? How about auto insurance? And could you benefit from other forms of insurance, such as an umbrella policy, long-term care insurance, professional liability insurance, or identify theft protection?
9. **Workplace benefits.** Are you taking full advantage of the core and voluntary benefits to which you have access via your job? If your employer offers matching retirement plan contributions, are you taking advantage of them? Are there voluntary benefits you should be considering, such as discounted group life insurance or disability insurance? If you’re part of a high-deductible health plan, are you taking advantage of the tax-favored Health Savings Account that goes with it?
10. **Key documents.** Do you have an updated will in place, along with other important estate documents, such as powers of attorney and medical directives? Also, are beneficiary designations on insurance policies, retirement plans, and bank accounts up to date?
11. **Support and guidance.** Do you feel like you have a strong handle on all the key aspects of your financial life — basically, the ten areas referenced above? Are there areas you’d like to address to improve your overall financial wellness? If so, you could benefit from the guidance, perspective, and advice of a financial expert. Not only can working with a financial professional improve your financial wellness, but it also gets you an actual financial plan — a professionally authored plan detailing how to maintain your financial well-being over the long run.

*Resources: Federal Planning Association (FPA, Copyright 2020)  
adapted with Canadian Resources, Canada.ca (2021)*

---

---

Contact Carebridge at **800.437.0911** or visit **[www.myliferesource.com](http://www.myliferesource.com)** for more information