



LET'S TALK ABOUT

FINANCIAL WELLNESS

FOR WOMEN

BY FARAH JUMA

WWW.FARAHJUMA.COM

CONTENTS

| | |
|--|----|
| Introduction | 04 |
| Chapter I What Is Financial Wellness? | 05 |
| Chapter II How to Improve Your Financial Wellness: Be WISE... | 07 |
| Chapter III Understanding Your Money Mindset: Exploring Your Relationship with Money | 11 |
| Conclusion | 14 |
| Helpful Resources | 15 |

ABOUT THE AUTHOR



Farah Juma

Hi, I'm Farah Juma, and I have a background in finance and a passion for helping women of all backgrounds achieve financial security and independence. With over 15 years of experience in the Financial Services industry, and learning from my own personal experiences with money, I understand the unique challenges faced by underrepresented communities, especially women, when it comes to finance. Through my work as a financial coach and an ambassador for female financial freedom, I strive to create more equitable access to financial education and resources. I'm thrilled to author this article, and to share my perspective and expertise with women everywhere.

@farah_wealth_and_wellbeing

INTRODUCTION

CREATE A LIFE OF ABUNDANCE AND POSSIBILITY - BECAUSE WHEN YOU UNDERSTAND YOUR MONEY, YOU CAN ACHIEVE YOUR DREAMS

Welcome to a new year, a time often seen as a fresh start. For many, it's also a moment to pause and consider our financial health. But let's face it, managing money can feel overwhelming, especially if you're not sure where to start. Whether you're a seasoned budgeter or new to financial planning, this article is your guide to understanding and achieving financial wellness - an essential part of your overall well-being. Let's embark on this journey together, making financial wellness a seamless part of your self-care routine.



CHAPTER I

WHAT IS FINANCIAL WELLNESS?

Financial wellness isn't just about having wealth; it's about the peace of mind that comes from being financially secure, stable, and independent. According to the Financial Health Network, it's about "the ability to fully meet current and ongoing financial obligations, feel secure in your financial future, and make choices that allow you to enjoy life." This definition highlights the integral role finances play in not only ensuring stability but also in shaping our mental and physical health.

Finances are a foundational part of our daily lives. We are constantly faced with decisions on how to spend our money, where to save, where to invest and why we should at all. Money matters because it's intertwined with every aspect of our lives, influencing our stress levels, choices, and overall happiness.



What is Financial Wellness?

These examples highlight the vital importance of financial wellness in supporting both mental and physical health. It's not just about numbers in a bank account; it's about creating a buffer against life's unpredictabilities and nurturing your overall well-being. While financial resilience can't shield you from every adversity, it equips you with tools to better navigate life's unexpected turns.



Health Crisis Without Adequate Insurance

Imagine experiencing a sudden health issue that prevents you from working. Without sufficient health insurance or an emergency fund, the financial strain can be immense.

This stress can exacerbate mental health issues like anxiety or depression, potentially hindering your physical recovery. It's a cycle where financial insecurity aggravates health problems, which in turn can deepen financial difficulties.



Retirement Planning & Mental Health

Planning for retirement is another area where financial wellness plays a critical role. The uncertainty of not having a secure retirement plan can lead to long-term anxiety, affecting mental health.

On the other hand, having a solid plan can provide peace of mind, contributing positively to your overall well-being.



Debt Stress & Physical Manifestations

Consider the impact of high debt on your well-being. The constant worry about repaying loans or credit card debts can lead to chronic stress.

This stress can manifest physically, potentially causing headaches, high blood pressure, or even heart problems. It's a clear example of how financial distress can directly affect your physical health.



Job Loss & Emotional Well-being

Losing a job unexpectedly can be a significant financial shock, impacting one's self-esteem and leading to feelings of insecurity and depression.

Financial preparedness in such situations can provide a safety net, reducing the emotional toll and giving you the space to focus on your next steps without panic.

CHAPTER II

HOW TO IMPROVE YOUR FINANCIAL WELLNESS: BE WISE...

We understand that discussing finances can be sensitive. It's important to recognize that everyone's financial journey is unique, with its own set of challenges and triumphs. If you're feeling financial stress, you're not alone, and it's okay to seek support. Financial stress can affect sleep, mood, and relationships, but small steps in managing your money can lead to greater control and reduced anxiety.

Achieving financial wellness is about preparing for the unexpected while creating opportunities to fulfil your dreams. It's finding the balance between readiness for life's ups and downs and the freedom to pursue your aspirations.

Let's dive into the WISE approach to enhancing your financial health:

W - What Are You Earning & Spending (Budgeting Made Simple):

Name Your Expenses: Identify essential lifestyle costs, compare these with your actual spending and income. Looking at your expenditures and outgoings may feel daunting at first, especially if you are new to budgeting, but after the first hump of getting into it, it will help you gain a sense of control and help to take the next steps to plan your future.

Distinguish between 'needs' and 'wants.' It's okay to spend on yourself. Understand what lifestyle you'd like and build up your discipline which identifying unhealthy spending habits. As you embark on your journey to financial wellbeing, it's crucial to live within your means and make financial decisions based on your values and needs, not societal pressures or comparisons.

How to Improve Your Financial Wellness: Be WISE...

Budgeting Tools: Utilize tools that suit you, like spreadsheets or budgeting apps such as Snoop, Moneyhub, and Emma. Feel free to use the spreadsheet budget template provided on my website.

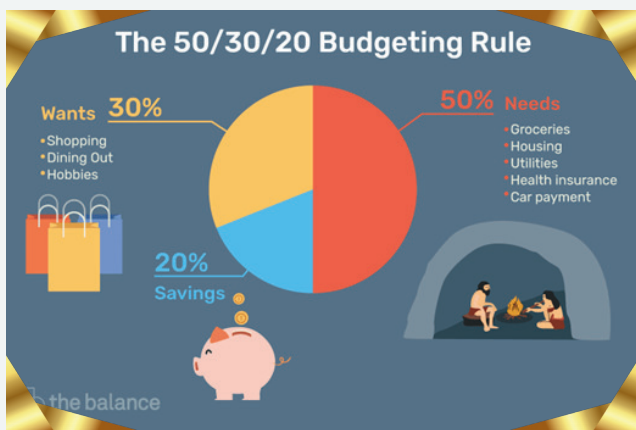
Budgeting Formulas: Find a formula that fits your life, such as the 50/30/20 rule or Zero-based budgeting.

Monthly Money Date: Regularly review your spending and progress towards financial knowledge and goals. Set a monthly “money date” to sit down with your favourite hot drink and snack and review your spending and budget. You may even find it fun and reassuring to see some progress in your financial knowledge and, hopefully, your numbers!

Budgeting Tips: Keep an eye on Martin Lewis's free “money saving expert” website for tips, and start to talk about budgeting with your family and friends to share knowledge.

I - Indebtedness Management (Debt Management):

Understand Your Debt: Be mindful of different types of debt such as credit cards, overdrafts, loans such as student loans and car loans, and mortgages: what do you need them for? Do you understand how the interest rate works? Do you know how you are going to repay the debt? Understand and prioritize high-interest debts. Avoid payday loans due to their high interest.



How to Improve Your Financial Wellness: Be WISE...

Credit Health: Regularly check your credit score and history for financial flexibility. Having a good credit report is vital if you want to get a mortgage, credit card, loan and much more, especially as lenders are analysing people's budgets and perceived 'affordability' when they offer a loan. Being able to access funds when you're in a tight situation will offer relief and options. Check out the Money Saving Expert's guide to check your report for free.

Debt Repayment Plan: Create a realistic plan and seek advice if struggling. If you're struggling, don't hesitate to seek advice. There are agencies that can help - check out the Debt Advice page on the Government website.

S - Safeguarding Through Protection, Savings, and Investment:

Insurance and Protection: Ensure adequate protection for unforeseen circumstances. Do you have enough insurance, or too much? Is your income protected – you are your biggest asset. Assess your insurance needs, consider income protection, and don't forget about drafting a Will.

Debt Repayment Methods



The Debt Avalanche Method:

- Prioritise Interest Rates
- Pay off debt with highest interest rate first
- Move on to next highest interest rate debt after first is paid off
- Pay less interest over time



The Debt Snowball method

- Prioritise balances
- Pay off smallest debt first
- Move on to bigger ones next
- Build motivation by settling debts faster

How to Improve Your Financial Wellness: Be WISE...

Emergency Fund: Prioritize saving for an emergency fund that covers 3-6 months of expenses to cover your must-have needs.

Future Goals: Think about your future goals: what are your plans for retirement? Do you wish to start a family? What about education for yourself or your family? Is there a particular holiday you'd like to have? Consistent savings and investments can help reach these goals.

Invest Wisely: Start small if needed, there is no set amount needed to get the ball rolling, but always research and understand the risks. Check out the introductory guide on investing by the UK Government.

E - Evaluate and Adjust Regularly:

The key to maintaining financial wellness is to regularly assess your financial situation and adjust your plans as needed. Life changes, and so will your financial goals and requirements. Make it a habit to revisit and refine your financial strategy to stay on track.

Make your financial goals specific, with dates and amounts (£), and make sure your “why” is a strong motivator for you

Example Financial Goals

| Short | Medium | Long |
|---|--|--|
| NOW - 5 YEARS | 5 - 15 YEARS | 15+ YEARS |
| Get out of credit card debt Pay off £3500 worth of credit card debt by March 2024 | Buy a house Save a deposit of £30 - 50k by February 2029 | Retire with £1 million Retire by the age of 65 retire with £1 Million in my pension! |
| Build an emergency fund Build an emergency fund of £9000 by January 2024 | | |

CHAPTER III

UNDERSTANDING YOUR MONEY MINDSET: EXPLORING YOUR RELATIONSHIP WITH MONEY

Money is emotional, and we all have different mindsets towards money.

Let me give you an example of two friends Fiona and Liz:

Fiona worries about money all the time - she grew up with parents who said things like, “money doesn’t grow on trees” and “we can’t afford that”. ‘It feels like there’s never enough and something always comes up leaving her with no spare change each month. She says she can’t afford to save and she struggles to get through the month, and when she looks into the future, she sees uncertainty, more struggle and more worry. SHE says she’s “just not good with money”.

Liz doesn’t worry as much. She recalls creeping downstairs as a child to find her parents managing their finances together around the kitchen table. Money was tight, but her parents carefully budgeted making her feel secure. She saves £40 a month as soon



Understanding Your Money Mindset: Exploring Your Relationship with Money

as she gets paid and has saved up nearly £500 over the last year. She has an emergency fund for unexpected situations and feels confident she is within budget each month, and working towards a comfortable retirement.

Each of our experiences are different, but which person do you most relate to, Fiona or Liz?

Our unique beliefs and attitudes about money drives the decisions we make and the actions we take around earning, spending, saving and investing. The good news is that we can change our mindsets and take control of our money emotions – in fact it is our responsibility to.

How Your Upbringing Shapes Your Financial Attitudes and Beliefs

Our financial habits and attitudes aren't just spontaneous creations; they're deeply rooted in our upbringing. The way we think about and handle money—whether we save diligently, spend freely, or invest wisely—often mirrors the lessons and examples we absorbed while growing up. Did your family emphasize saving for a rainy day, or was the focus on enjoying the

present without much thought for the future? Perhaps discussions about money were taboo, leaving you to navigate your financial education alone. Recognizing these influences is crucial, as it allows us to question which beliefs serve us well and which we might need to reassess. Understanding this can empower us to rewrite our financial stories, transforming learned behaviors into conscious choices that align with our current values and goals. By doing so, we take a vital step towards financial wellness, armed with the knowledge that while our past may shape us, it doesn't define us.

Take a look at the prompts on the next page to see if you can identify any money mindset blockers,

How to figure out how your upbringing may have shaped your financial attitude



Reflect on your childhood experiences: Think back to your earliest memories of money and how it was talked about in your household. Did your parents discuss financial matters openly, or was it considered a taboo topic? Did your family prioritise saving or spending?



Consider the role models in your life: Identify the people in your life who influenced your financial beliefs and behaviours. Was it your parents, grandparents, or other relatives? What attitudes did they have towards money, and how did they handle financial decisions?



Analyse your family's financial situation: Look at your family's financial situation growing up. Did you experience financial hardships or abundance? How did your family cope with these situations? Did they have a budget or financial plan?



Examine your education: Evaluate what you learned about money in school, and how this may have impacted your financial beliefs. Did you receive formal education on financial literacy or did you have to learn through experience? Did you have access to financial resources, such as books or seminars?



Identify your current habits: Take a closer look at your current financial habits and attitudes towards money. Are there patterns or beliefs that you've carried over from your upbringing? Are there any financial behaviours you'd like to change?



Try to seek out outside perspectives: Talk to other people, such as friends and relatives about their own experiences with money and compare them to your own. You can also seek some professional guidance or counselling if you need help addressing any negative beliefs or behaviours you've identified.

CONCLUSION

THIS IS THE BEGINNING OF SOMETHING GOOD.

Financial wellness is a personal journey and an integral part of your overall well-being. It's about making informed choices that align with your lifestyle and values. Budgeting creates a safety net, but it's important to remember that it's part of a larger strategy for financial well-being and not a one-size-fits-all solution.

You're not alone in this journey – we can share knowledge, offer support, and celebrate our progress towards financial health and happiness. As we journey together, let's also break the silence around money matters. Openly discussing financial challenges and successes removes the taboo and strengthens the communities in which we live. Remember, talking about money isn't just about sharing numbers; it's about sharing stories, experiences, and wisdom. By bringing these conversations into the light, we empower each other to make informed decisions and build a more financially resilient and supportive community.

CONTACT ME TO SEE IF FINANCIAL COACHING CAN HELP YOU ACHIEVE FINANCIAL SECURITY, STABILITY & INDEPENDENCE.



HELPFUL RESOURCES



<https://www.farahjuma.com/moneyquiz>

<https://www.moneysavingexpert.com>