URS
Utah Retirement Systems

Financial Wellness for

Singles

Everyone faces challenges with their financial wellbeing. The good news is that all money-related decisions are entirely up to you. Here are some key points to consider on your path to financial wellness.

» **Consider taking a personal finance course.** Taking a money management class can change your perspective about how you feel and think about money. You may want to handle money differently than the way your family handled money when you were growing up.

» **Create a spending plan.** One of the easier ways to reduce financial stress is to know how you are spending your money. A spending plan can help ensure you're making progress toward your financial goals. You can create a spending plan with pencil and paper, a spreadsheet, or an app. Once you have the plan in place, track how you are actually spending your money for at least 3 to 6 months. You may need to revise your spending plan to reflect what's really happening, and then decide if you are using your financial resources in a way that reflects your values and priorities.

» **Debt.** If you have student loans, credit card debt, or maybe an auto loan, decide how you want to tackle them. Think about consolidating your debts to potentially lower interest costs and/or minimum payments. Research any student loans carefully, because there may be special refinancing options and income tax implications for any decisions made there.

» **Get a copy of your credit report annually.** You can receive a free copy of your credit report once a year from each of the three main credit reporting agencies. Visit https://www.annualcreditreport.com/index.action for more information. Consider placing a credit freeze with each agency as well, to prevent unauthorized credit accounts from being opened fraudulently. Each credit agency has its own process for placing a freeze, as well as lifting the freeze when necessary.

» **Decide on your saving priorities.** Do you want to save for a house, a car or other big purchase? Do you want to focus on paying down debt, such as student loans? One option to always take advantage of, if available, is any matching retirement plan contributions by an employer. If offered, you should always contribute enough to get the full matching contribution, as that is free money from an employer.

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» **Build an emergency fund.** Ideally try to save up 3-6 months of living expenses, which can help meet your financial needs if you should lose your job or become too ill to work. Consider investing the money very conservatively, such as in a CD or savings account. You could also use a Roth IRA as an emergency fund, because you can always withdraw your contributions (but not earnings) without any tax consequence. The upside of using a Roth IRA is that you're getting a dual benefit: a tax-free retirement account for retirement while also serving as a potential emergency fund during your working years.

» **Take full advantage of any employer benefits.** Sign up for your employer's healthcare plan. (If you are under 26, you may be able to stay on a parent's healthcare plan, which might save you some money.) Check to see if you have a health savings account (HSA) option through your employer, as contributions there can reduce your income taxes. If not, check to see if you have access to a flexible spending account (FSA) to pay for medical expenses, which can also lower your income taxes. (Note you can only have one or the other open for current contributions.) With either account, withdrawals are tax-free for medical expenses. If you have an employee assistance program, don't be afraid to use it if you ever need some emotional support. Many employers offer a wellness program that provides paid time during the workday to exercise or perhaps a reduced gym membership or some other type of fitness program.

» **Insurance.** Make sure you have adequate life insurance and disability insurance. Check with your employer to see if you have access to any group life insurance and/or disability insurance. You may not need much life insurance now if you have no one who is financially dependent on you, but you may want to consider having enough to cover any personal debt you may have, such as a student loan, auto loan or mortgage. It's also wise to draft basic estate planning documents, such as a will and power of attorney.