

Financial Wellness: One Step at a Time

By Joe Lamoglia, Vice President, PFPCG

January, in addition to being a time of making and breaking resolutions, is also Financial Wellness Month. Who decided this is a mystery to me, as my exhaustive 10 minute internet search failed to turn up a “sponsor” of this incredibly important, yet mostly unheard of, event. I did find many definitions of financial “wellness” and many more prescriptions for achieving it. Whoever thought of Financial Wellness Month, it seems to have garnered some attention and that isn’t bad – but as a financial advisor, I’m much more concerned with real world outcomes. And while much of the advice I found was good, I think most people will have trouble putting any of it to use.

Most of these articles take the approach of listing all the things a financially “well” person would have in place – a budget, legal documents, a retirement plan, an emergency fund, etc. Quite a few recommend working with a financial advisor. All good thoughts and offered with the best intentions, but I wonder how many people read such an article and feel overwhelmed by the thought of adding all that to their “to do” list.

Since you are already working with an advisor, you are many steps ahead of the folks at whom these articles are aimed. Chances are good you are already saving for your long term goals, you regularly review your financial picture with your advisor, and you’ve got a good idea how you are spending your money. (If not, pick up the phone right now and call us for an appointment.)

That said, we all have habits that we know aren’t financially healthy. Maybe you buy lunch out every day instead of brown bagging (this is my personal area for improvement), maybe you have no system for organizing your financial documents (a pile is not a system), or you don’t stick to a monthly budget. If you are doing most things right, you can probably ignore a bad habit or two without derailing your long-term financial goals. But, change just one habit and maybe you can reach a really important goal much sooner.

What if you took the difference between buying lunch out, and the cost of brown bagging and applied it to paying down your mortgage, or added that amount to the college savings plan you know you’re underfunding? Maybe you can change that dinner-out-every-Wednesday-cause-I’m-too-lazy-to-cook, to a dinner in and an extra \$200 a month going into the emergency fund you never put in place. If “getting organized” is your goal, check out Steve Richardson’s submission this month “Creating a Financially Organized Life.” Just don’t try to do it all at once.

Working with your advisor, you’ve already identified an area or two where you can improve your financial health and you know the bad habits that are slowing your progress. So, if you are looking for a resolution that will improve your financial wellness, pick one – and just one. Let us in on your resolution, and we can help you stay motivated. And, next time you are in the office, feel free to ask me what I packed for lunch.

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