



## ACHIEVING FINANCIAL WELLNESS

Predominantly, there are four components of financial health: **spend**, **save**, **borrow**, and **plan**. These components align closely with your daily financial activities. What you do today in terms of spending, saving, borrowing, and planning either builds towards or detracts from your resilience and ability to achieve your financial goals. For example, are you currently able to handle a major car repair or an unexpected medical bill? Are you saving consistently? Have you established a strong credit history?

Within each component, there are some key indicators that provide an additional level of insight as to what to focus on specifically.

### SPEND

1. **Spend less than income** (analyze the difference between income and expenses)
2. **Pay bills on time and in full** (determine the percent of bills that are paid timely and for the minimum amount due)

### SAVE

1. **Have sufficient living expenses in short-term savings** (priority being an emergency fund of 3-6 months of normal living expenses)
2. **Have sufficient long-term savings** (adopt a "pay yourself first" approach with a focus on retirement)

### BORROW

1. **Have a sustainable debt load** (seek an overall debt-to-income ratio of less than 36%)
2. **Have an excellent credit score** (720 or above)

### PLAN

1. **Have appropriate insurance** (ensure the type and extent of coverage provides protection against potential health and property risks)
2. **Plan ahead for expenses** (exhibit behaviors that demonstrate the ability to manage current and future financial obligations)

The EMUCU Financial Wellness program is here to support you at each step of your financial journey. Workshops (both in-person and online) and individual financial counseling performed by certified staff are available for members and can provide important guidance on money management matters.

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