Valdez Parks & Recreation

HEALTHIER YOU

WEEK 10 — Financial Health

Sponsored Activity:

Turbo Kick® LIVE!

Saturday, April 9th
10am—11a.m.
PWSC Health and Fitness Center

There's a party happening at a gym near you—one where you'll get seriously toned and fall in love with fitness. And guess what? You're officially invited. Say hello to Turbo Kick® LIVE! Turbo Kick LIVE combines traditional kickboxing moves with high-intensity interval training for an unbelievable calorie burn. You'll have a blast getting into knockout shape—learning hard-hitting combos and edgy dance moves while torching fat and carving lean, sexy muscle in the most empowering class you've ever taken!

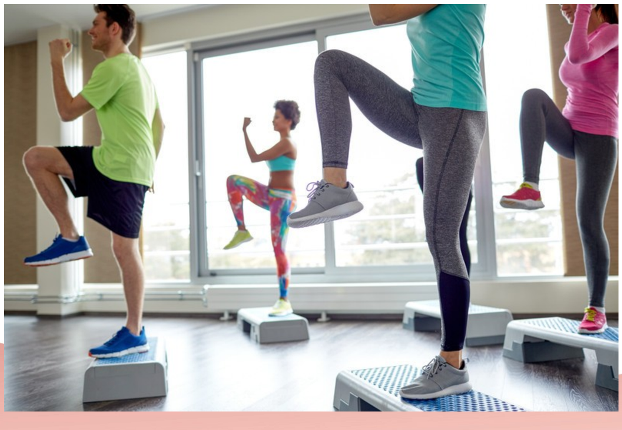
EARN 4 POINTS!

Weekly Challenge:

Prepare your taxes, look at online budgeting tools,
(details on the back)

Weekly Challenge points are awarded once per week.

EARN 5 POINTS!



Sound Wellness ALLIANCE NETWORK

PROVIDENCE Valdez Medical Center

PWSCC PRINCE WILLIAM SOUND COMMUNITY COLLEGE

WEEK 10 — *continued…*

Seven Signs You're a Paradigm of Financial Health

How do you know if you're really on the right track money-wise? Listed below are a few benchmarks people can use to gauge their financial health. It's important to note that everyone's situation is unique.

1. By age 40, you've accumulated 1 to 3 times your annual income.

Many financial advisers use age-based targets for determining how much workers should save to be ready to retire. Individuals should have the equivalent of their annual salary in savings by age 35 in order to reach the first benchmark on the way to retirement. One strategy suggests that between 30 and 40 is in the "early accumulation phase" and their net worth should be 1 to 3 times their annual income. At that point you've most likely bought your first house, you've got good savings habits, and you're minimizing consumer debt.

2. If you're part of a dual-income couple, you can cover your fixed expenses with one income.

If you can pay for all your fixed costs – mortgage, cell-phone bill, insurance payments, child care, etc. – with using just you or your spouse's income, you're in excellent shape. The second income can be used for discretionary expenses, like vacations, dinners out, summer camp and savings. Granted, when you're starting out in your 20s and 30s, often both spouses are working to cover the bills, so it's harder to set aside one person's income for savings or costs that might be deemed extra.

3. You live in your 30s like you did in your 20s, 40s like you did in your 30s, your 50s like you did in your 40s...

The standard advice to save 10% of your income is good but there's a problem. When your income keeps rising, saving just 10% doesn't really get you to your goal because your standard of living is rising too fast for your prior savings to keep up. The whole "save-a-percentage-of-income" approach assumes level income and level spending. For instance, if you start out saving 10% of your $40,000 salary in your 20s, but get some big promotions and suddenly are making $100,000 a year in your 30s, saving 10% on $40,000 the prior decade barely makes a dent in setting up a retirement for what's now a $100,000 standard of living.

4. You have only one car payment at a time, or you save in a car replacement account each month instead of making a payment.

Of course having no payment is ideal. But by keeping to one payment per month, you minimize the risk of being stuck in a cash flow crunch if you get hit with an unexpected medical expense or get laid off.

5. Your home's value is 2 to 2.5 times your income and your mortgage is no more than 80% of the value.

This is the standard loan-to-value ratio – the percentage of the property's value that is mortgaged – financial advisers recommend for home buyers.

For instance, if your income is $100,000, your home's value shouldn't exceed $250,000. The LTV ratio is used by mortgage lenders to gauge a borrower's risk: the higher the LTV ratio, the riskier the loan is considered and the higher the interest rate, and vice versa.

6. You have a will.

You're steps ahead of the game if you have a will and durable power of attorney for finances and health care in place after turning 18, the age at which you're considered an adult by law. And if you have children under 18, ensuring you have guardianship provisions in place for them from day one will set you ahead of most people.

7. You give at least 5% of your income to charity.

Charitable giving indicates a healthy relationship to money. It means you have margin in your life, in your finances, and you're not living right up to the edge.

Missing any of these seven signs of financial health? Budgeting might be the key. Here are some online resources for budgeting:

http://www.investopedia.com/university/budgeting/

http://money.usnews.com/money/blogs/my-money/2015/01/14/7-simple-and-free-budgeting-tools

https://www.daveramsey.com/everydollar