

Extension  
Utah State University



Empowering Financial Wellness

# Your Financial Wellness Wheel

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How do we measure financial health? Completing a Financial Wellness Wheel can give you a baseline for your current financial health and give you steps to take to improve or maintain. This fact sheet will explain each category on the Financial Wellness Wheel, teach you how to use it, and suggest ways to take action to improve your score in each section.

**Financial Wellness Wheel Categories.** The eight categories on the Financial Wellness Wheel are:

1. Financial Goals – Do you have financial goals you are working towards?
2. Budgeting – Do you have a budget that helps you stay in control of your money?
3. Emergency Savings – Do you have enough money saved to help in emergencies?
4. Low Debt – Are you able to pay more than the minimum payment each month?
5. Living Within Your Means – Do you spend less than you make each month?
6. Retirement Savings – Are you contributing to a retirement fund regularly?
7. Credit Score – Is your score above 700?
8. Insurance Coverage – Does your insurance cover all of your needs?

**How to Use It.** The Financial Wellness Wheel Worksheet on page three shows a visual depiction of the eight categories on the wheel. Follow the

detailed instructions to rank yourself on a scale of 0 (very dissatisfied) to 10 (fully satisfied) that represents your score in each area. Then ask yourself some important questions. Which of the categories would you most like to improve? What would it take to have a score of 10 in each category? What support might you need from others to make positive steps forward? (See worksheet for more details.)

**Take Action.** The final step after completing your wheel is to identify one action for each area where you can take a small step to improve. Below are examples in each segment of the wheel:

**Financial Goals.** Where do you want to be financially in one year from now? How about 10, 20, and 30? Answering these questions can help you determine financial goals you'll need in order to get where you'd like to be. Financial goals should be consistent with your values (Garman and Forgue, 2018). Starting now with a simple, short-term goal will make you more likely to continue with long-term goals.

**Budgeting.** Dave Ramsey, author of *The Total Money Makeover* (2013), said, "A budget is telling your money where to go instead of wondering where it went." At the end of the month, do you look back and wonder what happened to your paycheck? Start by tracking where you spend your

money for 1 month. Identify areas you need to improve. Then set realistic expectations. If you usually spend \$100 eating out, it may not be realistic to cut that to zero right away. Small adjustments can really add up.

**Emergency Savings.** Accumulating credit card debt should not be your emergency savings plan. Having 3 to 6 months' worth of expenses saved for emergencies will help you have financial peace of mind when everything else seems to be going wrong. If you don't have an emergency fund yet, start with a goal of saving \$1,000 as fast as you can. Make a commitment to yourself that this stash of cash won't be used for anything other than an emergency.

**Low Debt.** Have you come up with a plan to eliminate debt as fast as possible? Check out [www.powerpay.org](http://www.powerpay.org) to set up a free, debt elimination plan. PowerPay™ helps you see all you owe in one place and provides you with a plan to pay off everything in the most efficient way-using power payments. When you pay off one debt, add that payment onto another debt payment to double up and soon you will be debt free.

**Living within Your Means.** Self-discipline is important to live within your means (Stanley and Danko, 2010). Waiting to save up for something you want to buy can be hard. But you'll never achieve your financial goals if you regularly overspend. If you find yourself living paycheck to paycheck, try looking at ways to reduce your expenses or increase your income.

**Retirement Savings.** The best thing to do for your retirement savings is start now (Garman and Forgue, 2018)! Even if you can only afford a small amount every month, starting small now is better than waiting until you have more later. Investing early means time is on your side.

**Credit Score.** There are five components that make up your credit score. Payment history, amount owed, length of credit history, new credit, and type of credit used. Payment history makes up the biggest section, about 35% of your credit score. To increase your credit score, making regular, on time

payments will make the biggest difference (Garman and Forgue, 2010).

**Insurance Coverage.** Take the time to review your insurance needs and decide what you need and don't need. If you have a major life event like getting married or having a baby, be sure to consider your insurance. Periodically evaluate your auto and home/renters insurance rates to be sure you're getting the best deal.

Review and update your Financial Wellness Wheel annually. For more real-life money smarts, resources, and tools view [www.utahmoneymatters.com](http://www.utahmoneymatters.com). Check out [www.finance.usu.edu](http://www.finance.usu.edu) for more publications like this one.

### **References**

Garman, T. & Forgue, R. (2018). *Personal Finance*. Boston, MA: Cengage. Ramsey, D. (2013). *The Total Money Makeover: A proven plan for financial fitness*. Nashville, Tenn.: Nelson. Stanley, T. J., & Danko, W. D. (2010). *The Millionaire Next Door: The surprising secrets of America's wealthy* (1st Taylor Trade Pub. ed.). Lanham, Md.: Taylor Trade Pub.

### **Further References**

[www.utahmoneymatters.org](http://www.utahmoneymatters.org)  
[www.finance.usu.edu](http://www.finance.usu.edu)  
[www.powerpay.org](http://www.powerpay.org)

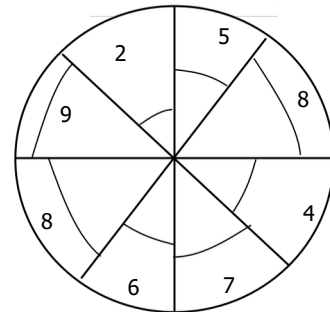
# FINANCIAL WELLNESS WHEEL WORKSHEET

## Notes:

- Financial wellness is personal and unique to each individual - what may be satisfying or balanced for some may be stressful or incomplete for others.
- This exercise is intended to raise awareness about financial health. It also helps clarify areas for financial goal-setting. It is not intended to provide a complete financial plan.



## EXAMPLE



## INSTRUCTIONS:

1- Review the 8 categories on the Financial Wellness Wheel. The combined categories should create a view of a balanced financial life. If necessary, split category segments to add in something that is missing, or relabel an area to make it more meaningful for you. Examples of changes are:

1. **Living within your means:** Split "Living within your means" into separate categories. Add a category for "Housing". Is your rent/mortgage payment enabling you to live within your means?
2. **Financial goals:** Split this category into three segments. Add segments for "Long-term", "Mid-term", and "Short-term" goals.
3. **Credit score:** Split this category into two segments. Add a segment for "Credit report". Have you reviewed your credit report recently? Have you corrected any needed mistakes?
4. Other categories to add could include "Investments", "Financial security", "Charitable giving", "Organizing financial paperwork", or "Acquiring financial knowledge".

2. Now rank your CURRENT level of satisfaction with each area by placing a value between 1 (very dissatisfied) and 10 (fully satisfied) in each segment. The new perimeter of the circle represents your personal Financial Wellness Wheel.
3. Now, looking at your wheel, here are some great questions to ask yourself:
  1. Are there any surprises for you?
  2. How do you feel about your life as you look at your Financial Wellness Wheel?
  3. How do you *currently* focus your efforts in these areas? How would you *like* to focus your efforts in these areas?
  4. What would a score of 10 look like?
  5. Which of these categories would you *most* like to improve?
  6. How could you take small steps to make financial changes in your life?
  7. What help and support might you need from others to make changes?
  8. What area *should* you focus on first? And what change do you *want* to make first?
  9. If there were one key action to take that would begin to make a big difference, what would it be?

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