

# THE ROAD TO FINANCIAL WELLNESS



Alabama **ONE**<sup>®</sup>  
*Financial Wellness*



# We are ONE. Together.

Financial wellness is more than having some money in savings or a retirement plan; it's more than credit repair or debt management. True financial wellness is an overall satisfaction with your financial life, brought on by a number of things – including

financial knowledge and behaviors like budgeting, saving, and the smart use of debt.

We understand the challenges families face today, and know your situation is unique. From managing debt, to creating a budget, to planning for the future, our TEAM is here to help you create the best plan for you. This booklet is full of tips to help you get started on your Road to Financial Wellness.



## Savings

**Start now.** Don't put off saving any longer. Even though your budget may be tight, pay yourself first.

**Open a savings account that works for you.** Not all savings accounts were created equal – find a savings account that earns interest and will incentivize you to keep saving.

**Start small.** A little is better than nothing, so even if you can only save a little bit, do it. We suggest starting at \$20 or more if you are comfortable.

**Make it automatic.** Direct deposit is a wonderful tool for saving. Ask your employer to send a portion of your paycheck straight to your savings account each pay period. By doing this, you won't see the funds come out of your checking account and after time will most likely not even miss it.

**Stay on track.** It can be hard, but stay the course! Find a way to encourage yourself to stay on your savings journey.





# 5 Easy Steps to Successful Budgeting

- 1 Know your Income.** You will need to know the exact amount of your income after taxes. Your income may come from sources such as wages, tips, public assistance, child support, alimony, or Social Security. However, you should not include any overtime when putting your budget together.
- 2 Track your spending.** Start with all of your fixed payments—the bills you absolutely have to pay such as mortgage, utilities, car payments, student loan debt, etc. After that, look at your last few bank statements and figure out where the rest of your money is going. Make sure to list all of your expenses.
- 3 List your savings.** Each month you should include an amount that you have set aside to save. Please list an amount, even if it is \$5. Having a savings account prevents you from having to borrow money from family and friends in a true time of need.
- 4 Organize and keep the debt you NEED.** Your basic needs are shelter, food, clothing, utilities, transportation, and medicine. It is important to get rid of unnecessary debt. This is where you will have to honestly look at your wants vs. your needs. Your wants are things you can live without, such as eating out every night, beauty products, gambling, and gym memberships.
- 5 Adjust your budget accordingly.** Now that you have an idea of how much you spend, how much you save, and how much debt you have, it is time to readjust your budget. The 50-30-20 Rule says that you should not spend more than 50 percent of your income on all of your NEEDS, 30 percent of your income on all your WANTS, and 20 percent of your income should be in SAVINGS. The 50-30-20 Rule may identify some areas where you should reduce spending, but it can also help you find additional money in your budget to put toward savings and debt repayment goals.

**IMPORTANT NOTE:** It can take up to 3 months to get your budget right. The good news is if you stick to the budget and follow these steps, then things will only get BETTER! Show yourself some patience and talk with our Financial Wellness TEAM if you need help or encouragement.

# How to Save on the NECESSITIES

## Saving on Food

**Make a meal plan.** Creating a plan for your week will help you stay away from take out; just make sure you are planning meals you will want to eat.

**Make a list.** Having a list of what you need will help you stay focused while in the store and avoid impulse purchases.

**Use apps.** Thanks to apps, finding discounts is easier than ever. Search for coupons before you shop to find the best price, and don't forget to scan your items for rebates from apps like Rakuten, Ibotta, and ReceiptPal.

**Shop online.** Many grocery stores now offer online pickup options. Shopping online will further eliminate impulse buying and will help you budget by allowing you to see your total before checkout.

## Saving on Utilities

**Turn off lights.** It may seem like common sense, but make sure you turn off the lights when you leave a room. You can save even more by using natural sunlight instead of overhead lights during the day.

**Check your insulation.** Check the insulation on external doors and windows. Spending a little upfront to reinsulate these areas can wind up cutting your bill during hot and cold weather.

**Unplug.** Did you know your toaster could be running up your electric bill just by being plugged in? Many household items draw power when they are in "standby" mode. If you're not using it, unplug it.

**Get an inspection.** Many utility

companies will inspect your home for free, or a small fee, to help you determine areas where you can be more efficient. Call your utility company and ask if they will make a free home inspection. You may be surprised what they find.

## Saving on Transportation

**Make a plan.** Planning your trips out of the house can help you cut down drastically on your gas expenses, especially if you live in rural areas. Combine this with our shop online tip from earlier to make planning easier.

**Rack up the rewards.** Several gas station chains now have rewards programs where you can drop the price of each gallon of gas. For example, you can save up to \$0.05 on every gallon at Shell stations and up to \$0.05 on every gallon at Mapco stations. It may not seem like a lot, but remember: pennies add up to dollars.

**Shop your insurance.** When was the last time you shopped your auto insurance? It never hurts to see if you can get less expensive coverage. Our Alabama ONE Insurance TEAM can help you find the best policy for you with their True Review. Email our TEAM at [insurance@alabamaone.org](mailto:insurance@alabamaone.org) or call (205) 342 – 0112.

**DIY simple fixes.** Many car troubles are actually pretty easy to fix yourself. Next time you have an issue with your car, do some web searches and watch YouTube videos to see if it is something you could fix yourself. Not only will you learn a new skill, but you also stand to save a lot on car repairs by not paying for specialized labor.



# Save Yourself From Scams

Through these unique times, pandemic fraud and scams will become more prevalent. Scammers are clever and will try anything to get your personal and financial institution account information.



**Phone scams:** Never give out personal information over the phone. If you receive a call from someone saying they are from your financial institution, or any other company, and need personal information (account information, debit or credit card information, address, etc.), politely hang up and call the business by the number listed on their website. Scammers are known to “clone” correct numbers, making it seem like they are actually calling from the business in question. This simple step may take an extra minute or two, but can save you from losing everything in your account and a lot of hassle later on.



**Charity scams:** Giving is a wonderful thing, but be safe! Sadly, charity and nonprofit names are often used by scammers, especially during the holiday season and difficult times. Be wary of phone calls, emails, and messages asking you to donate to a cause. If you would like to give, the best practice is to do your research first – make sure you are giving to a legitimate organization, and donate through verified methods.



**Online marketplaces:** Great deals can be found on online marketplaces like Craigslist and Facebook Marketplace, which also makes them ripe picking for scam artists. It is easy to fake a listing and create pressure to “buy it now before it’s too late!” Before you purchase any item, it is best to meet the seller in a safe location, such as a busy storefront or the police station, to see it before you buy it. And, as always, never give out your account or card information.



**Mail scams:** If it sounds too good to be true, it probably is. Mail scams will commonly state you have been specially selected for a deal or prize, then ask for your personal information or payment in order to receive what you have “won.” If you receive something similar from a business you use or an organization you are aware of, do a quick web search for their contact information and call them. Never use the contact information on the mail piece – it’s probably fake and will send you straight to the scammer.



**Email scams:** Email scams are becoming more and more sophisticated, and can sometimes be very hard to catch. If an email seems suspicious, contact the person or organization the email is supposedly from in a new email (do not hit the reply button) to verify the email is from them. Also, if you receive an attachment you weren’t expecting, do not open it without verifying it is from a trusted person and is safe.

# Schedule Your Financial Wellness Check-Up Today



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Getting started on your Road to Financial Wellness doesn’t have to be hard. Schedule your Financial Wellness Check-Up with our Financial Wellness TEAM to get help creating a budget and planning for the future. You can schedule regular meetings to make sure you stay on track to achieving your goals.

Visit [alabamaone.org/financialwellness](http://alabamaone.org/financialwellness) to gain access to a plethora of resources, including live webinars and events where you can ask your most pressing financial questions as well as our FinTalk Academy interactive learning modules, the Financial Wellness blog, and more.

We look forward to meeting you!

# Our e-ONE Mobile App makes managing your money easy.

**Financial Wellness Tools** to help you budget.

Make **Loan Payments** 24/7.

**Deposit checks** anytime.

**Link Accounts** from other institutions.

Schedule **Bill Payments** in advance.

Convenient **Member-to-Member** transfers.

**Person-to-Person** transfers to pay your friends.

**External Account Transfers** for secure fund transfers.

## Download the e-One Mobile App



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