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Financial Self-Care: Could It Transform Your Relationship with Money?

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It goes without saying that wrangling the demands and priorities of our everyday, modern lives can be highly stressful. Considering most of us are rarely (if ever) unplugged from our smartphones and other devices, remembering to take care of yourself—self-care—often falls by the wayside. This is especially so when it comes to your money, and more specifically, your financial health.

What Is Financial Self-Care?

We know what it means to take care of someone or something else—children, parents, pets, home, car, lawn. Self-care is any activity done deliberately to take care of your own mental, emotional, and physical health. It's as simple as taking time out to prioritize anything that benefits *your own personal wellbeing*.

Maintaining adequate sleep, a diet of fresh fruits and vegetables, regular exercise, healthy relationships, and quality medical care are all important aspects of self-care. However, one often overlooked component to self-care is related to your money. Believe it or not, finding ways to build *financial self-care* into your daily routine can have a profound effect on your overall wellbeing and happiness.

Why Financial Self-Care Matters

Think about what happens when you neglect your physical, emotional, or mental health. Usually, your stress skyrockets. Your immune system can weaken. You might get sick or have trouble sleeping. Your mood tanks, and your relationships may begin to suffer. All of this can snowball into bigger problems, mistakes, and general burnout.

It's no different with your finances.

Consider what would happen if you overspent your way into overwhelming debt, kept money problems hidden away, or avoided thinking about money entirely? Ignoring your finances usually only contributes to heightened anxiety, shame, guilt, and relationship stress. In fact, a LendingClub survey found that if you carry credit card debt, you're more likely to experience social isolation and dissatisfaction with your personal life.

On the other hand, when you take time to focus on the state of your money affairs, things start to shift. Prioritizing your finances supports a healthy money mindset. Knowing you're taking care of your and your loved ones' financial future can improve your outlook and mood. Creating and pursuing the money goals that matter to you puts you back in control. You feel more empowered to create a fulfilling, balanced life.

11 Easy Financial Self-Care Tips

When it comes to caring for your financial health, choose activities that support your goals, circumstances, abilities, and needs. Start practicing these easy actions today to boost your financial and emotional well-being.

1. Start talking

Studies show seventy percent of people aren't talking about everyday financial issues. Member surveys reveal more than a quarter admit to hiding debt from their partner. Feeling ashamed and alone in your struggle to manage money is not a healthy way of taking good care.

So ditch the guilt and find a supportive friend or tribe. Even better, schedule a money date with loved ones, stop pretending everything is fine, and together bring your money worries, hopes, and dreams into the light of day.

2. Create goals that inspire you

Passion fuels desire. Or the more strongly you feel about attaining something (an important certification, a better job, $50,000 in savings in five years), the more likely you are to remain committed over the long run.

Schedule a quiet time to imagine and write down your top two short- and long-term financial goals. Vividly describe your goals. What steps will you take to achieve them? Picture yourself reaching them and say them out loud. Be as descriptive as possible. Make your desires concrete by spelling out the details: your target dollar amount, deadlines, milestones to reach along the way.

> **Pro tip:** *Being able to very cleary picture and describe your goals is strongly associated with achieving them—1.2 to 1.4 times more likely. Tape your goals to your bathroom mirror, or use a goal as a password phrase on your laptop so it stays top-of-mind.*

3. Get and stay motivated

If you're not excited about following through, no goal you set will matter. So reward yourself for good behavior with incentives that keep you motivated and pushing against your comfort zone. Reward yourself whenever you hit a significant milestone. Use a goal setting and tracking app to measure your progress. Or team up with a money buddy to stay encouraged and hold each other accountable.

4. Keep tabs on your daily income and expenses

Mastering your money means having a clear sense of how much is coming in or going out. Make a daily habit of checking in with your spending, at least until you get a handle on your habits. Automating with a powerful expense tracking app works for some. It's also perfectly okay to keep a simple spreadsheet, or jot notes down with paper and pencil. Whatever helps you easily and consistently see the dollars and cents of exactly where your money is going can help you quickly start to feel more in control.

5. Be realistic about how you budget and save

Sticking to a budget is often easier said than done. If your income is volatile, simply spending less than you earn while methodically saving for one (or more) of your goals isn't realistic. This is especially true if your hours fluctuate from paycheck to paycheck, you're seasonally employed, or you work on a by-project (or contractual) basis. Instead, budgeting and saving up over short bursts of time—when you know money will be coming in large chunks—might be a better way to think about it.

Once you nail down a budget that matches your how your cash flows, compare actual spending and saving against your target. Do this at least once a month (or every week, depending) to catch problems early on, make adjustments, and strategize new ways to save.

6. Borrow wisely—and save

When borrowing (or refinancing) saves money in the long run—it's a good thing. If you've got revolving debt (credit cards) with high interest, volatile rates, consider rolling multiple debts into one single payment at a lower rate using a personal loan. If that high car payment and rate you got from the dealer is still giving you sticker shock, did you know you may be able to refinance your existing auto loan? You could qualify for a lower rate and monthly payment, saving you thousands over the life of your loan. Be sure to compare carefully the cost of borrowing over time any new loan or refinance offer to what you've got now.

7. Deal with debt head on

Tackling debt also means slashing spending and avoiding the accumulation of new debt. Smart moves include boosting your income with side jobs or taking on extra hours at work to accelerate debt paydown. The snowball method is a proven plan to manage and conquer the debt you already have. And paying down debt is one of the fastest way to financial self-care that we can think of.

8. Invest in your future

Much of the stress you feel today may be coming from worrying about tomorrow. For this reason, many experts advise contributing as much as you can as early as you can into a retirement account. While some people may earn enough to be able to do this while simultaneously paying off any accumulated debt, others may not.

> **Pro Tip:** *When money gets tight, barring any other options, many people are forced to tap into their retirement savings accounts to make ends meet. Before thinking about retirement savings,* Dave Ramsey's Baby Steps *suggests paying off all debt (excluding mortgage debt), then saving up an emergency fund equal to 3-6 months of expenses first.*

After paying for essentials like electricity, rent, and food, consider contributing a portion of what's left over (even if it's only 1% of your income) to a retirement account. Making annual contributions to a Roth IRA, or to a 401(k) especially if your company offers a match, could turn a small $150/month savings habit into $23,374 over 10 years (invested at 5% interest compounded monthly). Calculate your estimated savings.

9. Grow your assets

If you have your spending in check, something set aside for emergencies, money left over after saving for retirement—pat yourself on the back. You've worked hard to get to this point. Now it's time to think about investing. Putting your money to work outside the scope of retirement can be a great way to maintain financial self-care.

The key is to know the reasons why you're investing, and exactly how much risk you're willing to take on. If you think you'll need invested money in the next year or two, consider a short-term, liquid (meaning, easy to sell) investment. If liquidity isn't a major concern, investing in a peer-to-peer lending marketplace could help diversity your portfolio and potentially earn competitive returns. As always, consult with an investment pro before making any investment decisions.

10. Raise your hand if you need extra help

Sometimes money can be complicated. Luckily, helpful resources are everywhere and you don't have to face it alone. If personalized attention and service is what you're looking (and don't mind paying) for, enlist a pro: accountant, financial advisor, banker, or lawyer. Many offer free initial consultations, or charge only a small flat fee.

There's also a wealth of information online—just make sure it comes from a trustworthy source. The Consumer Financial Protection Bureau has answers to hundreds of financial questions and guides to help you understand how to plan ahead to reach your financial goals. From navigating the military financial lifecycle to understanding the perils of payday loans, you can find clear, impartial answers and the information you need to make informed choices about your money.

11. Be your own best friend

Everybody makes mistakes with money. What matters is your money mindset—how you deal with the inevitable missteps, and, if you happen to fall, brushing yourself off and standing back up again and again.

If your money management skills are less than perfect, or you don't reach every milestone, give yourself a break. Take stock of what you have accomplished with your financial self-care activities. Keep putting one foot in front of the other. The well balanced money life you've been striving for will soon be right in front of you.

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