

Financial wellness

A part of your overall wellness plan to reduce your stress

INTERVIEWED BY DENNIS SEEDS

Having a comprehensive financial plan is central to overall wellness. In part, your wellness consists of emotional, physical and financial components that when working in harmony lead to a well-balanced life. Imagine a stool with only two legs ... it's not very stable.

A similar comparison can be made to one's life and the aspects that make it up. There are stressful situations that inevitably enter everyone's lives. The better prepared a person is to tackle these life-changing events, the better off he or she is going to be in the long run.

"Being financially fit tends to lead to a less stressful life," says Robert D. Coode, a partner at Skoda Minotti. "Financial stress is one of the most common forms of anxiety and can lead to other physical or emotional illnesses."

A comprehensive financial plan serves as a framework for organizing the pieces of a financial puzzle. With a solid plan in place, it's easier to focus on goals and understand what it takes to reach them.

Smart Business spoke with Coode about developing a plan for financial wellness, which can help support a healthy physical and mental state.

Do the stresses of life carry with them financial challenges?

Yes. Typically, life-changing events carry with them financial consequences. Examples of life-changing events include changing jobs, loss of a loved one, birth of a child, marriage, divorce, personal injury or illness. Stress can be contagious. If one's life is being affected financially, it may soon affect his or her emotional and physical well-being. That's why advisers recommend developing a plan — map it

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out and cut off future stressors at the pass.

When do people typically seek an adviser?

People typically seek an adviser during, or soon after they've experienced a life-changing event. When they're hit with the unexpected is when they reach out to an expert and seek guidance through the financial ramifications they're facing. People need encouragement to be proactive and to develop their financial plan well in advance. Then, when next faced with the unexpected, they're in a much better position to make logical decisions for themselves and their families.

Take a cue from athletics: Sometimes people need a coach or trainer to get back in shape. Financially speaking, it's no different. At times, people just need a little encouraging and structure to develop a solid financial wellness plan.

What is the main benefit of developing and implementing financial plan?

The main benefit of a well-crafted financial plan is piece of mind. A financial plan will help people see the big picture and set goals for both the short and long-term. When a person has a financial plan, it's easier to make financial decisions and stay on track to meet his or her goals. In addition, a financial plan will clearly show

how goals are related — for example, how saving for a child's college education might impact one's ability to save for retirement.

Can a single adviser really cover all aspects of one's financial wellness plan?

Financial planning covers six key areas: investment, retirement, tax, insurance, educational and estate planning. People should look for an adviser who knows their strengths and weaknesses and is not afraid to be surrounded with professionals with varying areas of expertise. No single person has all the answers. Highly competent advisers assemble a similarly competent team of professionals to assist where and when needed.

What's important for people to keep in mind as they strive toward financial wellness?

Financial wellness doesn't happen overnight. However, just like physical and emotional wellness, it can only begin by taking the first step. Once people have begun the journey, they should not get discouraged by life's little setbacks. Everyone faces them. Most importantly, keep in mind that it's a marathon, not a sprint. The pace will ultimately be determined by the goals and the planning the person has done to date. ●