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Vergie Charlery's Self Care e-book #8

Career & Financial Self-Care



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Career & Financial Self-Care

The last dimension of self-care is taking care of your career needs and financial well-being. Why do we need a self-care strategy for our careers and finances? Because your career isn't just a way to make money, and your financial well-being is more than paying your bills on time.

Career well-being reflects the way a person manages their work lives. Hence, practicing career self-care can allow individuals to achieve a work-life balance and do things to reach their long-term career goals, such as learning new skills or improving existing ones. As a result, the individual can have a fulfilling work life without undermining their personal pursuits and family lives. Similarly, financial

well-being involves having a healthy relationship with money and establishing sustainable financial habits. Thus, a person practicing financial self-care can create a future they can afford.

So, how do we practice self-care when it comes to our careers and wallets? Although thinking about work and money may seem stressful at first, practicing self-care in these domains reduces our stress in the long run. Everyone's career and financial needs are unique. Still, we all benefit from setting realistic goals for our individual needs and learning how to prioritize to accomplish our goals. Then, we can work on building good habits to use our money efficiently.





Setting Goals

Goals are the objectives we strive to achieve. There are many types of goals, such as relationship goals, fitness goals, career goals, and financial goals. Although this section will focus on the latter two, you might be able to use the ideas and strategies presented here for any type of goal in your life.

Many of us have an idea of what we want to achieve in the future. Thoughtful planning turns those ideas

into achievable goals. This process is crucial because it can make you feel motivated. Moreover, research has shown that setting goals can help us achieve them by improving our performance (Latham & Locke, 2007). But what is a good way to set goals?

One of the most successful goal-setting strategies is dubbed SMART, which approaches planning a goal from five angles. Let's discuss each.

- **S – Specific:** Is your goal specific or vague? Specificity ensures that you have a clear destination to go to. Assume you want to save money to buy a car. When you set your goal, you might benefit from being a bit more specific than simply saying, “I’ll save money for a house.” For instance, approximately how much money you need to save and by when. It may help to set upper and lower limits for your goal to increase its specificity.
- **M – Measurable:** Measurable goals include specific criteria that allow you to track your progress and determine when you have successfully achieved these goals. This involves defining the tangible evidence that will be used to quantify your progress and success. Instead of setting a vague goal like “improving physical fitness,” a measurable goal would be “run 5 kilometres without stopping within the next two months.” The progress can be measured by tracking the distance run and the time taken to achieve this goal.
- **A – Achievable:** Is your goal something you can attain? Setting challenging goals can help us stay motivated. However, if your goal is so complicated that it is impractical, you may be setting yourself up for disappointment.
- **R – Realistic:** Is your goal realistic? For example, “I will win the lottery and buy a larger house” is not a realistic financial goal. Instead, you might want to think about how you can earn more and save money for a house.



- **T – Timebound:** What is the time frame of your goal? You may decide that you will give yourself 4 years to save enough money for a down payment on a home or 2 years to save for a new car. It is important to set a time limit so that you become more focused on achieving your goal.



Exercise: Goal Setting Vision Board

Vision boards have been becoming increasingly popular. That's because a vision board is a visual representation that can help us imagine our goals. Besides, it is more fun and creative to use a vision board for goal setting.

If you would like to create a standard physical vision board, you can use a poster board or a large piece of cardboard, colourful pens or markers, photographs, drawings, stickers, or images from magazines.

If you prefer creating a virtual vision board, you can use a graphic design app or even a word processor. Simply find uplifting or motivating images that represent your goals and place them on your board. If needed, add brief written statements.

Take-Home:

Using images that represent your goals can help you imagine achieving them. It may help to put your vision board on the wall, on your mirror, or somewhere else you see often. That way, you can be reminded of your goals regularly.

Prioritizing

Look at your to-do list; is every item on it equally important? Sometimes we try to do everything on our to-do lists by giving equal attention and effort to each item. Then we struggle to finish them, or even if we somehow finish everything, fatigue starts kicking in after we repeatedly spend our energy in an unfocused manner. Worse, we may eventually feel burned out. But there is a simple solution: prioritizing.

Priorities are the items or goals that carry more value and importance than others. Hence, we should ideally complete our highest priorities first and with the greatest effort. That way, we can unload the heaviest weights from our minds, which surely can help us reduce our stress. Moreover, prioritizing is the natural next step after setting goals. This is because prioritization allows us to figure out what is essential and should be done first and what can be put on the back burner.

When it comes to our careers, setting priorities can help us focus our efforts effectively. This is not only important for achieving our long-term goals but also when we are completing our weekly or daily tasks. That way, you can structure your week or day in a way that will allow the completion of the highest-priority tasks first, followed by the less important ones. For instance, if you must prepare

a crucial report for an upcoming meeting, your emails can wait a little longer to be answered.

Prioritizing is also essential for our financial well-being. It is normal to have multiple financial goals at the same time. For example, you might aim to save for a new vehicle, for your retirement, and for your daughter's college tuition all at the same time. But if you prioritize these goals, you can allocate more resources to the most critical account or save for that one first and save for the others later. Prioritizing is also an essential aspect of budgeting, which we will discuss later.





Exercise: Prioritizing With a Time Management Quadrant

Prioritizing may not be as easy as it seems. An effective way to prioritize our tasks is using a time management quadrant. Here is how you might set it up.

	Urgent (Emergency)	Not Urgent (High Priority)
Important		
Not Important	(Medium Priority)	(Low Priority)

Simply look at the tasks you need to do and note their deadlines and importance next to them. Then, based on their urgency and importance, enter the tasks in the appropriate boxes of your quadrant. For instance, if something is important but not urgent, it goes into the high-priority box.

Note:

You may be tempted to finish the tasks in the medium priority box before those in the high priority box. But remember that medium-priority items are less important than high-priority items. Moreover, if you don't work on the high-priority items as soon as you can, they may become emergencies and cause you a great deal of stress later. In short, the fewer emergencies you have, the more likely you'll feel happy and accomplished.

Building Good Habits

Another essential skill for effective career and financial self-care is the ability to build good habits while letting go of any bad ones. Habits are routine actions we do regularly. For instance, a person may have the habit of checking their social media feeds whenever they reach for their phone or drink a glass of water before taking a bite of their meal. Maybe this person thought about doing these behaviours at first. But with enough repetition, these behaviours have become automatic.

Since habits are repeated over and over, building good habits – or replacing bad habits with good ones – ensures the long-term repetition of the same beneficial actions. For instance, an excellent financial habit might be to pay all the bills on time. Another would be to stick to the budget and avoid overspending. In contrast, a bad habit might be continuously overspending and living beyond one's means.

So, any behaviour may become a habit with enough repetition. But building good habits takes time, practice, and patience. Here are a few suggestions that may help you build good habits.



● **Start small.** Have you ever made an ambitious resolution only to become overwhelmed right after starting? Establishing a good habit from scratch requires testing the waters before jumping into the ocean. Try taking a small step toward what you want to turn into a habit. For instance, if you want to build a habit of reading finance-related books to boost your financial literacy, but you aren't really a bookworm, don't expect to read two books per week. Instead, start with small steps, such as reading for ten minutes after dinner. Once your ten minutes are over, place your bookmark, set your book aside for your next reading session, and carry on with your normal activities.

● **Make it easy.** This is one of the reasons why bad habits tend to build themselves. Bad habits are typically easy actions that don't require any effort. If you are planning on building a good habit, make it very easy. For instance, if you want to save a certain amount of money each month, you can set an automatic payment to transfer that amount of money from your checking to your savings account.

● **Make it satisfying.** This is another reason why bad habits tend to stick. They are fun, pleasurable, addictive, or satisfying in some other way. If the behaviour you want to turn into a habit is fun or pleasurable to you, you are more likely to do it repeatedly.

● **Pair it with another habit.** You may think of this as habit piggybacking. Why piggyback habits? First, it allows you to remember to carry out



the new behaviour or assign a reliable time for it. For example, you may have decided to do weekly plans for your job. However, you were inconsistent when and how you did it. Instead, you might pair it with the weekly report you write on Fridays and use the same template so that you will plan your week, right after finishing the report. Another reason you might want to pair habits is to make the new habit more enjoyable, especially if it is something that you can't make fun, or, satisfy on its own. Do you want to organize your desk? Pair it with something fun, such as listening to music or an audiobook. After you associate your desk organizing with, let's say, music, you may start seeing your task not as a chore but as something relaxing and fun.



Exercise: Plan Your Habit

In this exercise, you will think about a positive habit you'd like to build and then create a plan to integrate it into your life. Answer the questions below to get started with your habit planning.

1. **What is the habit you'd like to build?**
2. **Why do you want to have this habit?**
3. **How would you define success when it comes to adopting this habit?**
4. **What are the behaviours, or actions to make this habit successful? These should be the smallest steps you can take.**
5. **How will those behaviours or actions affect your daily routine?**
6. **How can you modify your habit-related behaviours if you can't commit to them? These may include adjusting the behaviour, pairing it with another habit, making it easier, etc.**

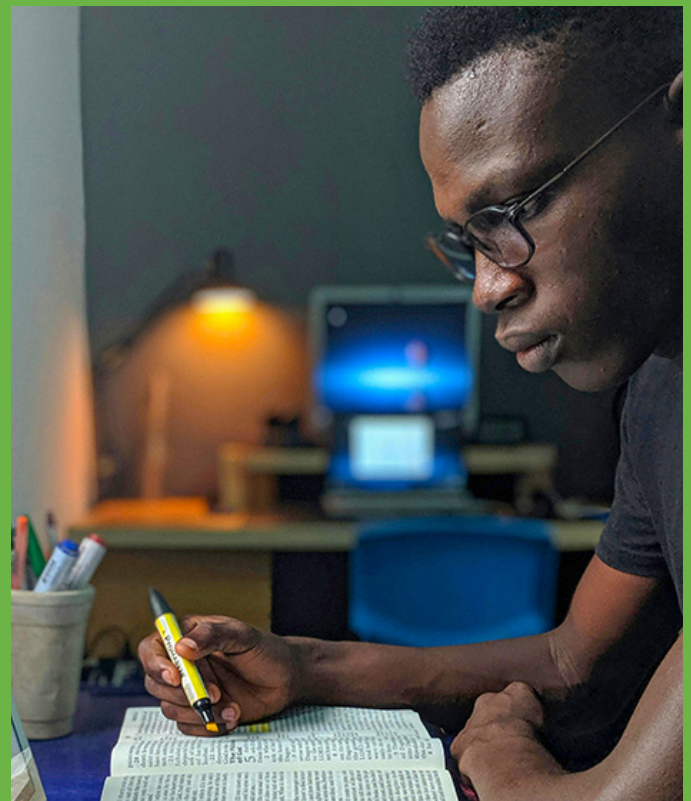
Now that you have answered these questions, you can create a habit integration plan. Simply write down what your desired habit is, what you will need to do to build it, and when you would do it. Also, include what you might do to make your habit integration a success.

Boost Your Financial Literacy

Financial literacy is the ability to understand and manage personal finances. Although some people may have an intuitive understanding of how to handle their money, the rest of us may need to educate ourselves to be able to make sense of financial processes. Indeed, in a recent survey, approximately two-thirds of the participants failed a basic financial literacy test (FINRA, 2022).

A good foundation in financial literacy furnishes us with effective skills in debt management, budgeting, saving, and investing. Boosting our understanding of our finances is essential to avoid negative consequences that may impact our livelihood. For instance, a person who doesn't have a good grasp of their finances is more likely to accumulate sustainable debt burdens through poor spending habits. If nothing is done to reverse the situation, this debt can lead to poor credit and bankruptcy.

Another benefit of boosting financial literacy is to help plan for our futures, such as for our retirements, opening a business, or financing our children's educations. Moreover, financial literacy can also make us less vulnerable to fraud. The good



news is that you don't have to have an accounting certificate or be a math wizard to become well-versed in finances. Whatever your current knowledge, there are numerous resources to help you take your money-related skills to a new level. Here are a few suggestions to get you started.



- **Read financial literacy books.** There are many good books written by industry experts. If you're not sure where to start, ask your bookseller or librarian for recommendations that cover the topics you'd like to learn.
- **Read financial magazines.** You can choose to subscribe to magazines such as *The Economist*, or you can borrow them from your local library.
- **Listen to finance podcasts.** Do you enjoy listening to educational materials more than reading them? Luckily, numerous podcasts can boost your financial literacy, such as NPR's *Planet Money*.
- **Take a class.** Many community colleges offer financial literacy classes that you can attend in person. There are also various financial literacy classes you can find online, such as Khan Academy's free class.
- **Attend community events.** You may find valuable workshops at your local library about topics such as mortgages, investing, or tax literacy. If you live near a university campus, you may also be able to find seminars and other public events to attend.

Budgeting

Do you keep track of how much money enters and exits your bank account? Do you know your monthly or major yearly expenses? If you struggle to answer these questions, you may need to reevaluate your budget, which is a financial plan that allows the compilation and evaluation of gains and expenses over a certain period. Moreover, budgeting also enables the planning of big-ticket purchases with little or no debt and preparation for unforeseen emergencies. Here are a few tips for successful budgeting.

- **Revise your recent spending habits and income.** Before you start budgeting, look at your recent expenses. Then add labels to each expense, such as utilities, entertainment, clothing, transportation, etc. Next, determine how much you spend on each category. Also, compare the total expenses to your income after taxes. This comparison will let you determine whether you have a deficit or a surplus.
- **Eliminate unnecessary expenses.** Once you know where your money goes, you should be able to eliminate any expenses that you don't need. For instance, if you barely use a streaming service, you probably won't miss much by cancelling your subscription.



- **Adjust current expenses.** Sometimes we pay too much for various items and services. For instance, if you own a car, you might want to shop around for a lower car insurance rate. Similarly, numerous grocery staples are much cheaper if you buy a generic or store brand.
- **Prioritize bills and debt payments.** We all have monthly or yearly expenses, such as utility bills, rent or mortgage, taxes, etc. These items should take priority over any other expenses. Some bills, such as credit card debt, can incur

finance charges over time. If you have debt, you might want to prioritize paying it off before saving or allocating money to other expenses.

- **Think long-term.** It's always a good idea to keep your goals in mind when creating your budget. For instance, if you'd like to buy a home within the next ten years, you might want to think about how you can get there and incorporate any financial implications into your budget.



Saving and Investing

Saving and investing are two ways of setting aside money to be used in the future. Everyone with financial stability (i.e., stable income and a surplus budget) would benefit from saving and/or investing. But what is the difference between these two, and how do we know which one is right for our goals? Here is a quick reference.



	Saving	Investing
Purpose	To cover emergency expenses. To pay for short term goals (e.g., family vacation, new car, etc). Keep money safe.	To pay for long term goals (e.g., college expenses, retirement, etc). Keep money growing.
Risk	Low risk	Higher risk
Interest	Minimal	Potentially higher returns, but losses are also possible.
Fund Availability	Can withdraw money when needed.	Requires long-term investment.



Ideally, a financially stable individual should be saving and investing at the same time since both methods serve different purposes. For instance, you might have many years to your retirement, but the earlier you start investing in your retirement account, the more comfortable you are likely to be after you retire. Yet, investing alone isn't enough, such as if you are faced with an unexpected cost and don't have enough money saved to cover the cost. Boosting your financial literacy can give you the basics to get started with developing your saving and investing portfolios. If you are still unsure how to get started or which type of savings or investment accounts you should use, it might be helpful to seek advice from a wealth management expert or other finance professional.

In Sum

Taking care of our careers and finances is another essential dimension of complete self-care. Setting career goals can help us feel motivated, improve our performance, and achieve success. Similarly, understanding how to take care of our finances and building good habits can ensure that we can afford the future we plan for ourselves. Hence, practicing career and financial self-care can make us feel ready for the future and increase our chances of success while contributing to our general well-being.