

A State of Financial Wellness

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Money has long been the number one stressor for many Canadians, and there's no doubt that COVID has magnified this reality. It has upended jobs, security, health and financial stability for people across the country. Millions of Canadians are struggling to cover their bills. In March of 2020, 49% of Canadians were just \$200 from financial insolvency¹.

While the pandemic has created economic havoc, it hasn't *caused* this financial stress level so much as *worsened* it. COVID has lifted the rug to reveal the truth of how Canadians are really doing financially. It's unsettling for many. A 2020 study² by FP Canada™ found that money stress impacts almost half of Canadians across all ages, incomes and regions. 80% said at least one aspect of their finances causes them to lose sleep at night. They're worried about bill payments, retiring comfortably, managing debt, job and income stability, rent and mortgage payments and a general lack of control over their financial lives.

Fear that there isn't enough money - and the stigma that comes with that - can be gut-wrenching. It can impact every element of a person's well-being. Physical and mental health, as well as relationships, can suffer. Financial stress can seep into the workplace, impacting productivity and making someone vulnerable to job loss. This is an unsustainable scenario for anyone living it. But it does not need to be this way. It's time for a new mindset about money, the kind that empowers people to understand what they can do to live happier today while ensuring they'll achieve the future that they envision.

When people are struggling financially, they tend to feel shame, avoid it and remain stuck. They view financial planning and advice as something reserved for the wealthy, but this exclusivity mindset is a giant barrier to achieving true financial wellness. Financial wellness isn't about being rich; it's the absence of financial worry. It takes a combination of courage, baby steps, tenacity and trust to enter a state of financial wellness. Life only gets better from there.

What steps can you take to achieve financial wellness?

The central "action factors" in achieving financial wellness include living within your means and having money in place for emergencies while still saving for the future. It's also about having the tools and support in place to stay on track and make sound financial decisions.

Can financial wellness really make me happier?

No matter who you are, setting and achieving goals cultivates the belief that you can overcome obstacles and create a brighter reality. When you apply this to your financial situation, it builds confidence, improves your sense of well-being and increases optimism for the future.

Can you do it alone?

Getting started is essential, but lasting change is far more likely with expert guidance. A recent report published by the Financial Planning Standards Council³ found of those that worked with a financial planner:

- 53% said they experience no financial stress
- 63% are less worried about money
- 73% feel greater peace of mind
- 50% are more confident in their plans to retire

As Canadians weather the COVID storm, levels of money stress are up by 30-52% across the country. However, these stats are different for those who work with a financial planner. 34% say their finances have been impacted somewhat, while 29% say they've not been impacted at all. Guidance is a game-changer when it comes to financial stability.

Although money can't buy happiness, our choices around it play a key role in achieving a state of stress-free financial wellness. A willingness to accept, understand, adjust and apply changes makes a measurable difference on a person's overall wellness, especially when a financial planner is engaged in the process. This approach is more straightforward than you'd think. What's even better? It puts you in the driver's seat on the road to personal financial wellness and on the road to an integrated, happy and satisfying life, no matter what may lie ahead.

[Contact our office](#) [1] to create your own Financial Wellness!

Sources:

- ¹ 2020. Globalnewswire "MNP Consumer Debt Index Drops to Lowest Point Since Tracking Began in 2017".
<https://www.globenewswire.com/news-release/2020/03/30/2008175/0/en/MNP-Consumer-Debt-Index-Drops-to-Lowest-Point-Since-Tracking-Began-in-2017.html> [2]
- ² 2020. "Financial Stress Index: A year-over-year comparison of Canadians' financial stress."
<https://fpcanada.ca/docs/default-source/news/financial-stress-wp.pdf> [3]
- ³ Financial Planning Standards Council. "The Value of Financial Planning."
https://fpcanada.ca/docs/default-source/news/fpsc_valuestudy_reduced.pdf [4]

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