

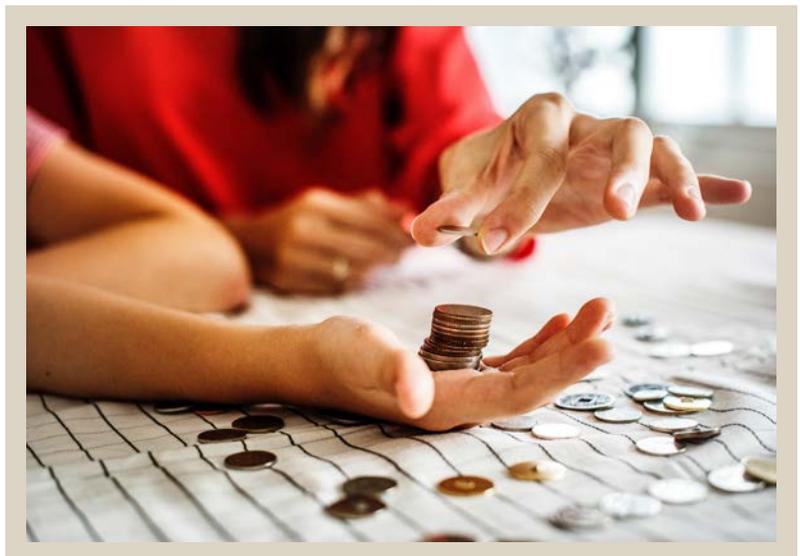


# Wellness Wednesday

## What It Takes To Change Your Money Habits

Money worries don't discriminate. A person with a \$500,000 salary can have just as much trouble staying out of debt and saving money as someone who earns \$50,000.

Even millionaires can wind up in the poorhouse. Sports Illustrated found that 78 percent of former NFL players are bankrupt or facing financial stress two years into retirement, while 60 percent of former NBA players are broke within five years of retirement. Close to 70 percent of lottery winners end up broke within seven years. How can it be that so many people with the financial means to live comfortably still end up struggling? Often, it has nothing to do with how much or how little they know about finance.



It's the poor decisions they make with their money. Sound familiar? Here's why you sometimes make bad decisions with your money even when you know better, and what it takes to change your behavior for good.

### Why We Make Bad Decisions With Money

The human brain is a complex system. And every time you have to make a decision, an intense battle happens inside your head. Nobel Prize winner Daniel Kahneman, a founder of behavioral finance who wrote the book "Thinking Fast and Slow," said there are two ways our brains process the world around us. System 1, or "fast thinking," is associated with snap decisions and subconscious thoughts. It operates automatically without voluntary control. System 2, or "slow thinking," handles deeper, conscious analysis and is associated with agency, choice and concentration.

Psychologist Jonathan Haidt came up with a great metaphor to understand this dual system: the elephant and the rider. System 1 is the elephant — large, instinctual, emotional. System 2 is the rider who controls the elephant. And it can be pretty exhausting to command such a big animal.

So how does this all relate to your financial decisions?

When you're presented with a choice like spending your \$1,000 bonus on a vacation or socking it away so you can have a more comfortable retirement 30 years from now, the elephant in your brain charges toward instant gratification. It's up to the rational, disciplined rider to yank the reins and steer toward the sounder decision. Often, it's easier to let the elephant have its way.

## Improving Financial Knowledge Alone Doesn't Work

Going against your natural biases and beliefs about money to make better decisions is uncomfortable and takes a lot of mental energy; financial stress can make it even more difficult. Cramming more information into your head isn't going to change anything.

That's why financial literacy programs don't work. In 2014, a meta-analysis of 201 prior financial literacy studies was conducted to find out how effective these programs were. The findings weren't good: Interventions to improve financial literacy changed financial behavior by just 0.1% — essentially, not at all. The weakest results were among low-income samples. That's not to say that financial literacy isn't important. It's hugely important. After all, you can't get better with your finances if you don't understand the mechanics behind how they work.

The problem is education doesn't actually change people's behaviors with money. Change happens when a person is motivated by some sort of emotional trigger or looming consequence. That means to change financial behavior, we have to better motivate the elephant part of the brain and take some of the pressure off the rider.

## What It Takes To Actually Change Money Behaviors For The Better

It's important to recognize that financial access has a major impact on behavior. For instance, you might be more motivated to save for retirement when your employer actually offers a 401(k) and matches contributions. And it's a lot easier to save on bank fees when your checking account doesn't require a \$1,500 minimum balance to avoid them.

The sad truth is that lower-income consumers often don't have the same access to affordable financial services that more affluent communities do. And many of the guardrails that have been put in place to protect people from predatory financial practices are under fire.

## Still, there is plenty that is in your control. Here's what helps lead to better money habits over time.

### Understand the practical application

A major missing piece of many financial literacy programs is not the what, but the how. For example, you know that compound interest leads to greater wealth over time. But how do you actually make saving money a habit?

You don't have to figure it all out on your own. There are a lot of resources you can turn to for practical advice. Some free or cheap options include books, websites and social media. But you can also get professional advice for free or very little cost. For example, if you're struggling with your bills or paying off debt, a certified credit counselor can help. The National Foundation for Credit Counseling, a nonprofit organization, has counselors in all 50 states and can point you to someone local who can help you comb through your finances, understand the pain points and create a plan for fixing them.

If you need more comprehensive guidance, consider hiring a financial planner who can help with saving for retirement, tax planning, estate planning and more. Again, it doesn't have to be expensive. The financial planning industry has changed a lot and many advisors now offer flat-rate and hourly services.

### Know your triggers

Maybe arguments with your significant other send you face-first into a tub of ice cream — even though you know your stomach will pay the price. Or you celebrate every small win by loading up your Amazon shopping cart only to have buyer's remorse the next day. These types of emotional triggers are hard to ignore and often have negative consequences.

"Most people know they're supposed to save, invest and be competent with money. That knowledge doesn't necessarily translate to reality because triggers take over," explained personal finance expert Catherine Alford.

It's important to recognize where your triggers come from, she said. For example, maybe after a stressful day at work, you always stop by the wine store and grab a bottle on your way home. Maybe you do this twice a week, but you're trying to save money and it makes you feel worse after the fact.

The trigger in this case is the bad day, which is not something you can necessarily control. So in order to save money and not spend it on wine, you have to replace your reaction to the trigger. "Instead of stopping by the store after a bad day, head to the gym or to a walking trail," Alford said. "The more you replace the action that follows the trigger, the more a new habit is formed."

### **Activate your brain's reward center**

A major driving force behind subconscious decision-making is the desire to seek pleasure and avoid pain. Unfortunately, destructive activities like compulsive shopping and gambling often light up your brain's reward center, while restricting your spending can feel agonizing. So, to encourage better financial decision-making, you need to be sure the rewards for making good choices are more attractive than the rewards for bad choices.

Obviously, splurging on a new set of AirPods as a reward for making the minimum payment on your credit card isn't going to work. Instead, spend on a small indulgence at the end of every month you hit your savings goal. If you have a competitive streak, sign up for a game that rewards you for saving. Find what motivates you and don't be afraid to treat yo self, but within reason.

### **Automate your finances**

The more choices you're forced to make throughout the day, the harder it is on your brain. At some point, you experience decision fatigue and your brain starts looking for shortcuts. That tends to result in making impulsive decisions or doing nothing at all.

To avoid decision fatigue when managing your money, it's a good idea to eliminate the number of choices you're forced to make. "Setting up a system where you have to think as little as possible is key," said Matthew Johnson, a researcher and professor of psychology at Hult International Business School in San Francisco.

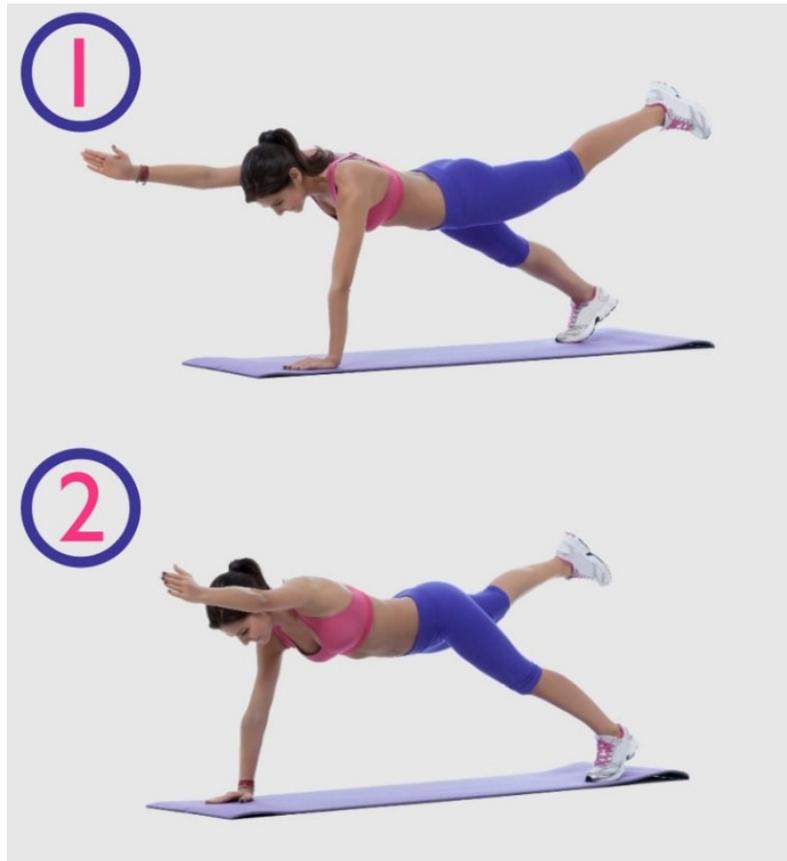
For example, if your goal is to save a certain amount of money each month, set up an automatic deduction from your paycheck into your savings account. This way, you don't have to consciously deliberate about what you want to save and when. "Make a decision about what's right for your financial situation, and then set up a system to make this as automatic as possible," Johnson said.

Article source: <http://bit.ly/2w0rM5N>



# This Week's Exercise

## DIAGONAL PLANK



### LET'S BEGIN!

1. Hold into a diagonal-plank position for 30 seconds, supporting your body with your right hand and left foot.
2. Switch hands and feet and continue for another 30 seconds.

Source: <http://bit.ly/2w3nw5A>

Regular exercise can help you control your weight, reduce your risk of heart disease, and strengthen your bones and muscles. But if it's been awhile since you've exercised and you have health issues or concerns, it's a good idea to talk to your doctor before starting a new exercise routine.

## MEDITERRANEAN SEA BASS



### Ingredients

#### FOR THE SAUCE:

- 1 tablespoons extra virgin olive oil
- 1 cup chopped yellow onion
- 3 cloves garlic, minced
- 1/4 teaspoon crushed red pepper flakes, or to taste
- 1/2 cup chopped fennel
- One 28 ounce can whole peeled tomatoes, with their juices
- 3/4 cup fresh basil leaves, very thinly sliced
- 1/2 cup dry white wine
- 1/4 cup pitted Kalamata olives, halved
- Kosher salt
- Freshly ground pepper

#### FOR THE FISH:

- Four 4-6 ounce skinless Chilean sea bass fillets (or other sustainable firm white-fleshed fish fillets such as halibut, cod or striped bass)
- Organic olive oil cooking spray
- Kosher salt
- Freshly ground black pepper
- 1 tablespoon extra-virgin olive oil

## Directions

1. Set racks in the middle and upper thirds of the oven and preheat oven to 425 F.

#### FOR THE SAUCE:

1. In a large skillet over medium heat, heat the olive oil until shimmering.
2. Add the onion, garlic and red pepper flakes and cook until golden, stirring occasionally, about 5 minutes.
3. Add the fennel and cook until the vegetables are soft and translucent, an additional 3 to 5 minutes.
4. Reduce the heat to medium and add the tomatoes with their juices. Using the back of a wooden spoon, smash the tomatoes and cook for 5 minutes.
5. Add the basil, wine, olives, 1 teaspoon salt, and 1/8 teaspoon black pepper.
6. Reduce to low and simmer for 15 minutes, or until the sauce is slightly thickened, while you prepare the fish.

#### FOR THE FISH:

1. Pat fillets dry, lightly spray with cooking spray and season with salt and pepper.
2. In a heavy ovenproof skillet over high heat, heat the olive oil until shimmering.
3. Add the fillets, rounded-side down, and cook for 2 minutes.
4. Carefully flip the fillets with a metal spatula and place the skillet in the oven. Bake until the fish is no longer translucent, 8 to 10 minutes.
5. Switch the oven to broil and place the skillet on the upper rack. Broil until the tops of the fillets are golden brown, 2 to 4 minutes.
6. Arrange the fillets on individual plates, spoon on the sauce, and serve.

### Nutrition Information

Yield: 4 servings  
Serving Size: 1 fillet

Amount Per Serving:  
Freestyle Points: 4  
Points +: 8  
Calories: 362  
Total Fat: 12.5g  
Saturated Fat: 2g  
Cholesterol: 90mg  
Sodium: 489mg  
Carbohydrates: 13.5g  
Fiber: 3g  
Sugar: 7.5g  
Protein: 42.5g

Recipe source:

<http://bit.ly/2w2uGr2>