



# THE PURSUIT OF HAPPINESS AT WORK

A PRACTICAL GUIDE TO HAVING A PURPOSE-FILLED CAREER

## What is Financial Stability?

Financial stability is a mindset that frees you from stressing over money and enables you to focus your energy on enjoying other parts of your life.

Many strive to be rich as a means to achieve happiness. In one poll published by Seniorliving.org, Americans said the definition of rich is having an annual salary of at least \$300,000 and a net worth of at least \$2.3 million dollars.

But studies show that even with accumulated wealth happiness is not a given. Focusing on financial literacy, financial independence, and financial stability however, can have an even greater impact on your well-being as it gives you confidence when navigating career decisions.

A 2010 research study at Princeton University shows that while money cannot buy you happiness, wealth can play a role in enhancing happiness and this includes happiness at work. That's why achieving happiness isn't about trying to get rich, but rather about financial stability. And when you make financial stability a component of how you navigate your life choices, it can help you achieve greater happiness in your career journey.

Here's a five-step approach to help you achieve more financial independence.

### 1. Create a Budget

A budget is a tool that enables you to track how you spend your money. Once you have this clarity, you can make a plan for improving your financial situation.

There are numerous budgeting apps that help you take control of your finances and manage your spending. Research the many options and select one that best meets your needs.

To find a current list of the most popular budgeting apps, go to Investopedia ([investopedia.com](https://www.investopedia.com)) and type into the search box "*best budgeting apps 2023*", or the current year. Click on the relevant link, in the search results, and select the budgeting app that best fits your needs.

### 2. Live Within Your Means

Congratulations! You now have a budget that provides transparency to how you spend your money. That was the easy part. Now on to the hard part, sticking to your budget.

The most fundamental aspect of sticking to your budget means to live within your means. There are many things out there that you "should buy", however living within your means requires making trade-offs and having self-control.

When I started budgeting, I found living within my means very challenging. I had to make trade-offs like substituting my expensive coffee runs with the more affordable option of preparing the coffee myself. Like exercising a new muscle, it was hard at first. However, in time I trained the muscle and was excited to see the benefits result in savings increases.

Living within your means is the key to financial success. Find ways to accomplish it, you won't be sorry.



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## 3. Establish an Emergency Fund

When unforeseen circumstances arise, an emergency fund is a lifeline that keeps you afloat and buffers you from using credit cards or high-interest loans.

Emergency funds should only be used in "emergencies" and establishing one requires focus and discipline. Ultimately, you should strive to build your fund to six months of living expenses (use your budget to figure out this figure). At first, this may seem farfetched and unachievable. However, like the saying goes "take everything in moderation" and establish a series of mini-goals that build up to your final goal. For instance, I started with \$500, and then doubled it (\$1000), and then doubled it again (\$2000), and so on until I achieved my final goal of six months of living expenses.

Best practices that will help you build your emergency fund include:

- a. Direct deposit. Out of sight, out of mind is a reality that could work to your benefit in this case. If possible, have a portion of your paycheck automatically deposit into your emergency fund
- b. Keep the change. Use a mobile app that will automatically round up the purchase amounts of your transactions and save them to a designated account. See step #1 to find an app that best fits your needs

## 4. Pay off Your Debt

Once you are able to live within your means, and you are at least half way to your emergency fund goal, turn your focus towards paying down debt.

There are many strategies for paying off your debt and choosing the best one depends on your situation. For instance, you could prioritize paying off your debt with the highest interest rate, or you could focus on debt that has the smallest balance. You could consolidate your debt into one manageable lower interest rate payment, or in more severe circumstances, you can seek support from a debt settlement company. I leveraged several strategies to get my debt under control and am grateful that I did.

I recommend visiting either Investopedia or nerdwallet for great information on debt management strategies

## 5. Invest in Your Retirement

According to the 2020 cnbc article, [Here's how much Americans have saved for retirement at different ages](#), most Americans want to retire by age 67, however many of them are not on track to do so. This is tragic, because having ample retirement savings is critical to getting the most out of your "golden years".

One of the best financial exercises that I have ever gone through was creating a retirement plan. My financial advisor took my wife and I through a series of exercises that provided us with the monthly income that we needed to have in order to live the life that we wanted once retired. Then, the advisor provided us with scenarios and plan options that would enable us to achieve that monthly income number by retirement. This clarity left me feeling both excited and overwhelmed.

However, as I said before, take everything in moderation. Over time, we have made progress towards our retirement goal. And every measure closer we get, is rewarded with an equal measure of calm.

Do yourself a favor and speak to a professional about retirement planning. You may not be able to do anything about it at this moment, however having the information will go a long way in mentally preparing yourself.