

What is National Financial Awareness Day?

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The origins of Financial Awareness Day in the United States are unknown, although it was first officially celebrated in 2019. This day is dedicated to developing the financial principles and practices that can build a solid financial future from now through retirement. It celebrates sound investment practices, so you can make your money work for you, spend less time working, and have more time to enjoy living your life. The holiday also helps demystify finances by teaching people that financial matters can be less difficult and manageable, instead of it being overwhelming and stressful.



How Does Mental Health Tie with Finances?

There's no doubt financial hardship can have a direct impact on mental health. Finances are so intrinsically linked with quality of life, stability, and social status that there can be a significant emotional toll. Here are a few common mental health experiences from financial difficulties.

Depression and Anxiety: A recent World Economic Forum report found those with low incomes are up to three times more likely to experience depression and anxiety. While this is certainly concerning, it's also not especially surprising. From an anxiety perspective, there is a significant amount of fear surrounding the ability to maintain liquidity. This can be further exacerbated when there is debt involved. Similarly, a poor financial situation can trigger or exacerbate symptoms of depression because of uncertainty about the future.

Stress-Related Illness: Financial hardship is an undeniably stressful situation. After all, a person's ability to care for themselves and their family depends on their financial stability. The negative pressure instigated by hardship can very quickly become overwhelming, putting additional strain on their sense of emotional wellbeing. Indeed, it is not unusual for those who have lived in poverty to experience symptoms of post-traumatic stress disorders (PTSD) related to these circumstances. This can have long-term consequences.



Physical Unwellness: It is not unusual for those living with financial hardship to find physical health suffering. This can be the result of poor access to healthy food impacting their nutrition. The stress of poverty can also cause higher blood pressure.

Access to Resources: The healthcare infrastructure of society is integral to how people manage their wellness. Unfortunately, it's impossible to ignore the fact that the system in the U.S. is built upon a largely commercial structure. Those who live with financial hardship are often unable to afford all but the most basic mental health care resources.

How Do I Celebrate National Financial Awareness Day?

No matter where your finances stand and the stage of life, you're in, it is never too late to learn sound principles that will help you plan for your financial future. The principles include making small changes in daily habits, saving whenever possible, and conducting responsible investment processes.

Once you learn the basics of financial awareness, try to do something to protect your financial future and increase your stability now. Here are a few ideas.

Save Money: Set up a savings account and commit to putting away a small amount of money in the account every week and never touching. A lot of financial experts suggest putting at least 20 percent of your income into savings.

Spend less: Making small changes to your spending habits to save money can make a huge difference.

Improve your credit: Make sure you pay off your credit card each month. Avoid late payments by tracking your bills and setting up automatic payments or payment reminders. Strive to only use around 30 percent of your credit limit.

Start Investing: National Financial Awareness Day is also a great excuse to start investing. Many apps can help you invest, even with just mere pocket change. It's best to start with secure, low-risk investments and slowly build your way to higher-risk investments.

Budget: You can set up a budgeting spreadsheet or download one of the many money-saving apps for budgeting. Many of these apps are user friendly and highly intuitive, meaning you can learn more about budgeting as you go.

Build your retirement fund: Most retirement experts recommend contributing 10 to 15 percent of income towards your 401(k) or another retirement fund. If that's too big of a commitment for your current income, start contributing as much as you can and slowly work your way up to that goal.

Commit to one of these strategies this month and track the impact it's having in helping you to achieve your financial goals!