

# For Your Benefit

MAY 2013

## Getting Started: Establishing a Financial Safety Net

In times of crisis, you don't want to be shaking pennies out of a piggy bank. Having a financial safety net in place can ensure that you're protected when a financial emergency arises. One way to accomplish this is by setting up a cash reserve, a pool of readily available funds that can help you meet emergency or highly urgent short-term needs.

### How much is enough?

Most financial professionals suggest that you have three to six months' worth of living expenses in your cash reserve. The actual amount, however, should be based on your particular circumstances. Do you have a mortgage? Do you have short-term and long-term disability protection? Are you paying for your child's orthodontics? Are you making car payments? Other factors you need to consider include your job security, health, and income. The bottom line: Without an emergency fund, a period of crisis (e.g., unemployment, disability) could be financially devastating.

### Building your cash reserve

If you haven't established a cash reserve, or if the one you have is inadequate, you can take several steps to eliminate the shortfall:

- Save aggressively: If available, use payroll deduction at work; budget your savings as part of regular household expenses
- Reduce your discretionary spending (e.g., eating out, movies, lottery tickets)

Continued on the the next page.

## Spring into sports!

*Get active to get in shape*

Spring is a great time to make a commitment to getting in shape. As the days get longer and warmer, the great outdoors beckons us to come out of hibernation and get active with spring sports and activities. Why is this so important?

Physical activity is known to help with **weight loss** and with healthy **weight maintenance**. It also helps with **digestion** and with **avoiding physical ailments and injuries**. And it can improve **mental and emotional health** as well. Yet, according to the Centers for Disease Control and Prevention, in 2007 almost 25 percent of Americans engaged in NO leisure time physical activity and 38 percent engaged in insufficient activity.

Don't add to those dismal numbers in 2013! Get off that unfortunately well-named La-Z-Boy® and get active this spring. The U.S. Department of Health and Human Services (HHS) recommends adults:

- Get at least 2 hours and 30 minutes each week of **aerobic physical activity** that requires moderate effort. Aerobic workouts should last for at least 10 minutes.
- Do **strengthening activities** at least 2 days a week. This includes push-ups, sit-ups, and lifting weights.

The HHS gives these guidelines to get active the safe way:

- If you haven't been active in a while, start slowly and build up.
- Choose activities that are appropriate for your fitness level.

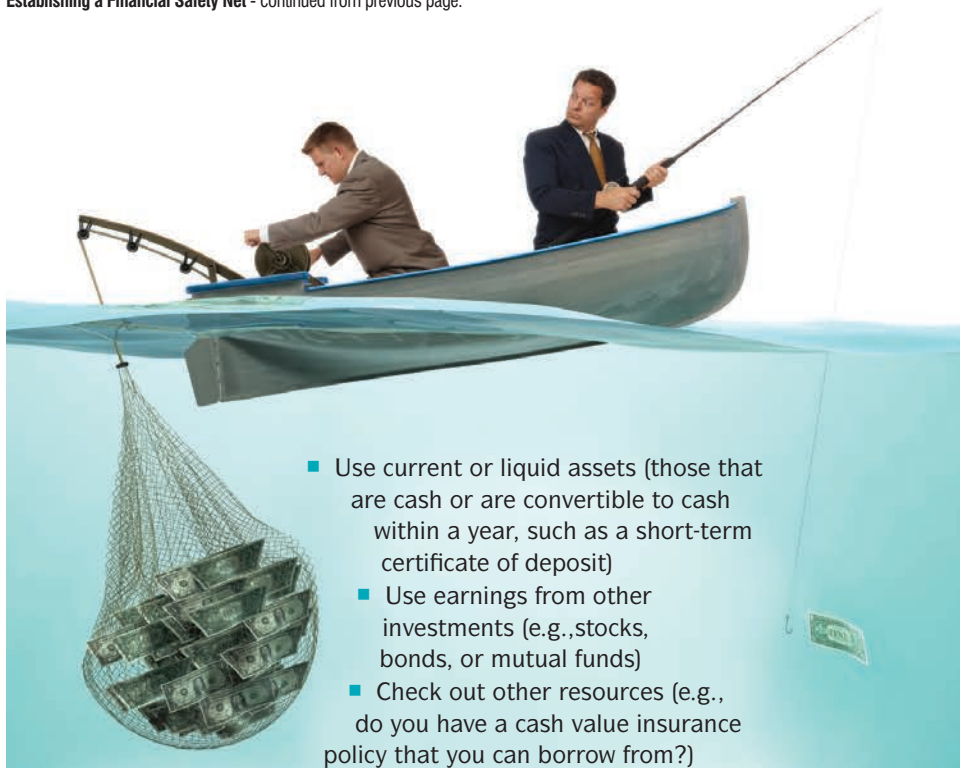
- Use the right safety gear and sports equipment.
- Choose a safe place to do your activity.
- See a healthcare provider before starting a new fitness program.

In addition, warm up with stretches from the *Vermont State Police Fitness Manual*:

- **Chest Pull**—Stand facing an immovable object, grab object with hand at shoulder level and arm's length away. Turn away from object until you feel a mild stretch. Change arms and repeat.
- **Upper Back Stretch**—Place left arm across upper chest. Place right hand on the back of the left upper arm. Pull the back of left upper arm towards the neck with right hand until you feel a mild stretch. Change arms and repeat.
- **Thigh Stretch**—Stand facing the wall and flex right heel towards the buttocks. Grab the front of right foot with right arm. Pull right foot towards the buttocks until you feel a mild stretch. Place left hand against wall for balance. Change legs and repeat.

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- Use current or liquid assets (those that are cash or are convertible to cash within a year, such as a short-term certificate of deposit)
- Use earnings from other investments (e.g., stocks, bonds, or mutual funds)
- Check out other resources (e.g., do you have a cash value insurance policy that you can borrow from?)

A final note: Your credit line can be a secondary source of funds in a time of crisis. Borrowed money, however, has to be paid back (often at high interest rates). As a result, you shouldn't consider lenders as a primary source for your cash reserve.

### Where to keep your cash reserve

You'll want to make sure that your cash reserve is readily available when you need it. However, an FDIC-insured, low-interest savings account isn't your only option. There are several excellent alternatives, each with unique advantages. For example, money market accounts and short-term CDs typically offer higher interest rates than savings accounts, with little (if any) increased risk.

*Note: Don't confuse a money market mutual fund with a money market deposit account. An investment in a money market mutual fund is not insured or guaranteed by the FDIC. Although the mutual fund seeks to preserve the value of your investment at \$1 per share, it is possible to lose money by investing in the fund.*

*Note: When considering a money market mutual fund, be sure to obtain and read the fund's prospectus, which is available from the fund or your financial advisor, and outlines the fund's investment objectives, risks, fees, expenses. Carefully consider those factors before investing.*

It's important to note that certain fixed-term investment vehicles (i.e., those that pledge to return your principal plus interest on a given date), such as CDs, impose a significant penalty for early withdrawals. So, if you're going to use fixed-term investments as part of your cash reserve, you'll want to be sure to ladder (stagger) their maturity dates over a short period of time (e.g., two to five months). This will ensure the availability of funds, without penalty, to meet sudden financial needs.

### Review your cash reserve periodically

Your personal and financial circumstances change often—a new child comes along, an aging parent becomes more dependent, or a larger home brings increased expenses. Because your cash reserve is the first line of protection against financial devastation, you should review it annually to make sure that it fits your current needs.

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## We've got your back!

### Take precautions to prevent back injuries

If any of these risk factors are part of your job—or your recreational activities, or your chore list at home—you could be putting yourself at risk of a back injury:

- Reaching while lifting
- Staying in one position for long periods of time or staying in a bent posture
- Repetitive lifting of awkward items, equipment, or people (as in healthcare or childcare facilities)
- Twisting while lifting
- Bending while lifting
- Heavy lifting
- Lifting with forceful movement
- Whole-body vibration, such as that experienced by lift-truck drivers and delivery drivers

To avoid injuring your back in the first place, use these back safety techniques:

- **Adjust your workstation to fit you.** If your workstation and chair are at the proper height, you are less likely to be injured.
- **Use mechanical aids,** such as pallet jacks or conveyor belts, to minimize the need to reach, lift, or move heavy items.
- **Change your position.** Don't sit or stand in one position for long periods of time.
- **Take your breaks.** They allow your muscles and tendons to rest, which is important for preventing injury.
- **Watch your posture.** Keep your back straight. When lifting, keep your back straight and lift with your legs.
- **Lighten your load.** Anytime you can break a heavy load into lighter ones, do so. Don't lift heavier loads by yourself—use a mechanical aid or team lift the item.
- **Minimize back stressors.** When you must lift something, avoid bending at the waist, twisting your back, or reaching.

It's important to catch a back injury early and treat it quickly. Know how to recognize when you've overdone it—because if you keep overdoing it, you could end up with a serious injury. If you notice any of these symptoms, see a doctor:

- Pain when attempting to assume normal posture
- Decreased mobility
- Pain when standing or rising from a seated position

The pain may feel like an ache, a sharp pain, a dull pain, or a pain that comes and goes. Your back may feel hot or inflamed, unusually tight, unusually weak or fatigued, or tingly. These can all be signs of a problem that will only get worse if it is not treated.

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