



## **Happy Financial Literacy Month**

*April is Financial Literacy Month, a time to raise awareness about the need for financial education.*

April 2021 marks the 19th annual Financial Literacy Month, a nationwide effort to raise awareness about the importance of financial literacy and the need for a substantive financial education.

### **Historical Background**

The holiday got its start in 2000 as Youth Financial Literacy Day, a program started by the National Endowment for Financial Education (NEFE) as the organization sought to educate young adults about financial basics. Eventually, NEFE turned over promotion of the holiday to Jump\$tart Coalition for Personal Financial Literacy (Jumpstart), a non-profit organization comprised of more than 100 national organizations and 51 state coalitions.

The holiday and its importance earned legislative recognition in 2003, and George W. Bush soon declared April Financial Literacy for Youth Month. The following year, it was renamed National Financial Literacy Month by a unanimous vote of the U.S. Senate.

A bit more political wrangling took place over subsequent years, and various national organizations launched initiatives that aligned with the holiday's educational goals. Several states have also proclaimed April as Financial Literacy Month, lending further support to the event's goals of helping Americans gain a better understanding of financial issues, including home ownership, credit and debt management, savings, and retirement. At the same time, events stress the need to create and maintain sensible financial habits.

"The effort to raise awareness about the importance of financial literacy and the need for effective financial education is a cooperative mission and a shared goal," Jump\$tart states on its website announcing this year's holiday. It encourages the public to support the event and initiatives conducted and sponsored by its national partners and state coalitions.

### **Top Tips**

As part of a financial literacy check-in, below are a few steps you can take to see if you're pursuing a financially responsible lifestyle:

### *Budget crunch*

Make a reasonable and practical budget, assessing your income and expenses to understand your cash flow, and identifying areas where you have the potential to trim costs. Revisit and revise your budget regularly to make sure it aligns with your personal circumstances.

### *Save for unexpected expenses*

Plan for unexpected expenses, such as a medical emergency, major car repair, or an appliance replacement, and establish an emergency fund that can pay for these costs. (Ideally, you want to keep three to six months' worth of living expenses in the fund.) Without such a backup source of payment, you may have to incur credit card debit, which can be unwise.

### *Stay credit-worthy*

Check your credit report periodically, making sure that there are no errors, while using it as a tool to make sure that you're paying your bills on time and staying within your established credit limits. Such actions will help increase your credit score. NOTE: You are entitled to a free copy of your credit report annually from the three major credit reporting companies, Experian, Equifax, and TransUnion.

### *Establish long-term financial goals*

Saving for your retirement is a personal decision that will help shape your lifestyle during your Golden Years. It's never too early (or late) to work with a financial professional to strengthen your retirement plan.

### *Review your plan*

Establishing a financial plan is not a one-and-done proposition. Review your plan at least annually, revising it as necessary to align with your financial goals.

### *Investments increase faster with early contributions*

Invest early and often, as a small recurring investment over a long period of time has the potential to produce greater returns than investing a larger amount over a shorter period of time.

If you need help understanding financial concepts or adopting more responsible financial habits, speak with a financial professional.

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