

COPING WITH FINANCIAL STRESS

Strategies for Emotional and Financial Wellness



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Financial problems can be enormously stressful. Nearly a third of Americans feel stressed about money all the time, according to a CNBC report.

If you're under financial stress, you may be arguing with your spouse or family members about money, experiencing headaches or panic attacks, hiding bills or receipts from family members, or finding it difficult to sleep at night. Your eating habits may have become less healthy, and you may find it hard to make it through the day.

In fact, researchers at the National Institutes of Health say that chronic stress (worries over several months or longer) can shorten your life by 15 to 20 years.

Financial stress can also hurt your ability to do your job well. According to research by Thomas Garman, about one-third of workers report high stress and say that personal finance issues are a top stress factor. That means that if you don't manage your financial issues, you may find yourself at risk of losing your job or getting passed over for promotions.

You may feel like you are the only one in your situation, or you may have tremendous guilt or regret over choices you've made in the past. Those feelings won't help you create a better future, though. It will help, however, to realize that millions of Americans experience financial stress. You're not alone.

The following are strategies you can use to reduce financial stress and get your life back on track.

Coping with your stress

The first step in dealing with financial stress is to try to relieve some of the stress as quickly as you can. This can help you feel better and give you the strength and perspective you need to make changes for your future.



See your doctor

If you're experiencing physical symptoms such as panic attacks, insomnia, depression, or high blood pressure as a result of your financial problems, see a doctor. It can be very difficult to handle financial pressures when you are not feeling well physically or not getting enough sleep. Medical help may give you the edge you need to be able to cope with your problems.

Exercise

Regular exercise can help reduce stress. For example, one study by Edward McAuley, a professor in kinesiology at the University of Illinois, found that exercise has a “significant impact on anxiety.” Other research reported by the American Psychological Association found that regular exercise releases chemicals that help the brain cope better with stress, reduce anxiety, and manage depression. Try to find something you enjoy so that you'll stick with it, whether that's walking with a friend, swimming, or even yoga. If your schedule is very hectic, consider breathing exercises that you can do almost anywhere.

Get help

If your financial distress is compounded by abusive or self-destructive behavior — either in yourself or your loved ones — get help. Those who are abusing alcohol or drugs can find

resources through local support groups like Alcoholics Anonymous or Narcotics Anonymous. Family members can get help through AL-Anon. Visit al-anon.org for more information. If your employer offers employee assistance benefits, you should be able to get counseling or referrals through that program. Those who are physically or verbally abusive should contact a local mental health organization for a referral to local agencies that can help.

Deal with debt collectors

Debt collectors can be aggressive. If you're receiving calls, you need to work out a repayment plan. If that's impossible, ask them to stop contacting you. You have the right under the federal Fair Debt Collection Practices Act to write to a debt collector and instruct them to stop contacting you.

Note: This law does not apply to creditors who are contacting you about the debts you owe them. There may be additional state laws that apply in that situation. Once they receive your letter, they can contact you only to tell you about legal action they will be taking to collect the debt. You can also stop a debt collector from calling you at work by telling them that your employer does not allow such calls.

A good way to stop creditor harassment is to work with a reputable credit counseling agency. If you can enroll in a debt management program and successfully make your monthly payments, participating creditors will stop contacting you. You also gain peace of mind by knowing you have a plan for getting out of debt!

Talk about it

Find someone you can trust — a close friend or relative, clergy, or mental health professional — to share the fears and worries you are experiencing. Most people are afraid to talk about money. Getting it out in the open with someone who can help you see your situation more objectively can be of tremendous help.

Get real

If you've been juggling bills, you may not have a clear picture of where you stand financially. Completing a detailed budget is crucial if you want to change the situation you're in now. Include your spouse or partner in the process. This may seem frightening, but don't put it off. The longer you wait, the worse your situation will likely become.

Be thankful

When you're facing financial difficulty, you may feel like the weight of the world is on your shoulders. But for most people, even when things aren't going well, there is still a lot they can be thankful for. Oprah Winfrey says that keeping a "gratitude journal" has been helpful for her and many who have followed her advice say the same. Take the time each day to write down three or four things you are thankful for, and really take a few moments to appreciate them.

Simplify

In today's frantic consumer world, it can be hard to step back and simplify. A simpler life may save you money and help reduce your stress (and improve your overall health). Look at where you are spending your time and money to see if you can identify ways to cut back.

Change what you can

Be realistic about what you can and can't change. Items will fall into one of four categories:

1. **Important, changeable:** A high mortgage payment may be an example of this. You need a roof over your head so it is important, but you may be able to change this expense by refinancing or moving to a less expensive home. Frequently

bailing your friends or children out of their money problems when you have your own to deal with is also something that may be important and changeable.

2. **Important, not changeable:** Perhaps your financial problems were due to expensive medical bills or a divorce. There may be nothing you can do to change the facts, but those issues are important. Since you can't change what happened, you may have to change your attitude, expectations, or both. Grieve for your loss, but then shift your focus to other things you can do to live within your current financial reality.
3. **Not important, changeable:** The fact that your spouse insists on paying the bills by hand when you'd rather do it online may drive you nuts, but it may not be important as long as they are paid. If it's not important, change your attitude instead.
4. **Not important, not changeable:** Maybe your parents always squabbled about money and that bothered you. But that is in the past, and how they talked to you then is not really important, nor can you change it. Let it go. Of course, if you are a parent now, how you talk to your own kids about money is entirely within your control!

Become resilient

Resilience is adapting well in the face of difficult events or stress. You may have more resilience than you think, and it can be learned. According to the American Psychological Association, there are several ways to increase resilience, including making connections with others, avoiding seeing problems as insurmountable (shifting your perception), accepting that change is a part of life (attitude), moving toward your goals and taking decisive action (taking control and responsibility for your life).

Get C.A.L.M.

C.A.L.M. is an acronym that stands for create a plan, automate bill payment, lower spending, and make progress. This method can help you not only further your financial goals, but also reduce your financial stress.

Create a plan

Budgeting is essential to reducing your financial stress. For one month, track how much you spend in each category (rent, entertainment, healthcare, etc.). Then, use these amounts to create a better budget that works for you.



Automate bill payment

When you automatically pay your bills, it's one less thing you need to worry about. Set up autopay for as many accounts as possible.

Lower spending

Using your budget, find out where you can make some cuts. Are you eating at restaurants too much? Do you really need those new clothes? Scale back so you can save more and feel better.

Make progress

Be patient and keep going. If it doesn't seem like it's working right away, that's okay. Give it time and stick to your budget. You will see results.

Make S.M.A.R.T. goals

Here's another acronym you can use to reduce your money

stress. S.M.A.R.T. stands for specific, measurable, attainable, relevant, and time-bound. Goals that stick to these parameters are less stressful because they're clear and concise without being too much to handle.

Specific & Measurable

If your goal is that you want to save money on food this year, that's great! Buy how much money? Be specific. Are you going to reduce your grocery bill by \$25 each week? Do you want to save \$100 every month? Choose a specific, measurable amount and stick to it. The same goes for savings goals. Instead of saying "I want to save for a vacation," say "I want to save \$2,000 for a vacation."

Attainable

Is it possible for you to make the changes your goal requires? Is your goal too difficult to reach? An unrealistic goal or trying to change something you have little control over can stress you out. For example, if you want to save \$5,000 in a year but your annual salary is only \$20,000, you may have to reassess and lower your goal.

Relevant

Make sure your S.M.A.R.T. goal directly relates to your long-term goals. For example, you may create a short-term goal to buy a new car. However, this isn't very relevant if your car is still running and you have thousands of dollars in debt.

Time-bound

When do you want to accomplish this goal? Add a time to your goal so you don't put it off. You could aim to save a certain amount by this time next year, for example.

Setting priorities

It's impossible to accomplish every one of your goals at once. If you pressure yourself to do too much too fast, you could get frustrated and give up.

This is why it's important to prioritize. You're more likely to stay the course if you organize your goals into smaller chunks that are easier to manage.

Define your goals

Using the S.M.A.R.T. goal method from the previous section, write down your financial goals for the next year (or five years, or ten years – whatever best fits your plan).

Put the goals in order

Once you've defined your goals, you should know approximately how long each one will take and what you need to do to accomplish it.

Now, put them in a logical order. You could put them in order from shortest- to longest-term, for example. Or, you could prioritize your debt-based goals before long-term savings goals. Decide what makes the most sense for your situation and keep the list where you can easily reference it.

Focus on one at a time

The more you try to do at once, the less you'll accomplish.

With your goals in order, you know exactly what to do first. Don't move on to the next goal until you finish the one before.

Changing your money mindset

The way you think about money informs how you feel about your financial situation. If you're constantly putting yourself

down or ignoring your gut feelings, you will continue to have negative feelings about your money. However, if you make it a point to reframe your thoughts, it will become second-nature to think positively about money.

Recognize bad habits

Take some time to think, journal, or talk about the money mistakes you've struggled with. Try to get to the root of the problem.



Ask yourself the big questions, such as:

- Why do you think you made those mistakes?
- How were you taught about money as a child?
- Is there a reason you kept repeating the same behaviors?
- Did you know what the consequences would be before you did it?
- Do you really understand how you emotionally process money decisions?

This exercise is meant to help you identify the habits you'd like to change, not to make you feel bad about yourself. It's important to stay as impartial as you can. Avoid shaming yourself – it's not healthy emotionally and it will make improving your money mindset even harder.

Trust your plan

Sometimes, it will feel like you aren't getting anywhere, or you aren't moving fast enough. Don't let these thoughts derail you.

A solid financial plan takes time to set in and rushing (or giving up entirely) won't help. Take a deep breath and commit to trusting yourself and the process.

Give your plan three to six months before you make any major changes.

Repeat positive affirmations

If you usually have a negative attitude toward money, it's hard to just flip a switch and start thinking positively. That's why affirmations are important.

An affirmation is a phrase you repeat to yourself to help you focus your emotions. Sometimes you see affirmations referred to as mantras, which are phrases repeated during meditation.



Affirmations have become especially popular for those struggling with low self-esteem. Here are some examples of confidence-raising phrases:

- I am worthy of love
- I am emotionally strong and resilient
- I am smart, and I learn more every day
- I work hard to be the best version of myself
- My friends and family love and support me

Now, apply the themes of those affirmations to your attitude about money. Use these to start your list:

- I have what I need to create a life of abundance
- I'm in control of my financial life
- I trust myself to make good money decisions
- My friends and family support me and my new money plan
- I can handle whatever financial problems come my way

The more you repeat your affirmations, the better. A positive attitude is the best first step toward less financial stress!

For more tools and information to help you cope with financial stress:

American Psychological Association Consumer Help Center at <https://www.apa.org/helpcenter/> offers information about coping with problems such as stress, balancing work and family life, and family relationships; includes a free guide to developing resilience.

For free information on your rights when it comes to debt collectors, visit www.ftc.gov.