

Coping with Financial Stress

Most people have to deal with a lot of stress related to finances today. Whether its the mortgage crises, credit card interest rates going up for no reason, the price of gas or heating fuel, or the price of food that just keeps going up, everyone is touched in the wallet by something. In this article you will learn some ways of coping with financial stress and where to learn more.

Don't be an Ostrich

It is very, very tempting to hope that if you ignore your finances and just keep bringing in a paycheck and trying not to buy extras, that everything will be fine. However, burying your head in the sand like an Ostrich leads to deeper debt, less financial security and more stress.

Ignoring your finances is like telling your parents a big, fat lie when you're a little kid. You may think you are getting away with something - but it stays in the back of your mind that you are going to get caught. You lose sleep, can't concentrate, get cranky for no apparent reason, and just generally know that there is something wrong. You are punishing yourself more than if you just told the truth - in this case - to yourself (we'll get in to what you are or are not telling your partner later).

Instead, take a good look at exactly what is coming in, and what you owe. The entire exercise may take 20 minutes. If you have never taken the time to do this and don't know how, here are some tips that can help:

- Get a shoe box, small plastic bin or other 'container' to keep everything for the month together in one place.
- Save copies of your paychecks for a month.
- Save every statement that comes in for a month. Every credit card bill, rent or mortgage statement, credit line or second mortgage, savings statement, car payment, electric bill, water bill, cable, internet, phone, everything.
- Save all of your receipts for cash or debit card purchases for the month. Everything. The \$2.00 on coffee at the convenience store, \$4.25 for fast food lunch on Tuesday, \$3.00 for a magazine. Some people find it easier to keep a medium sized yellow envelope in their briefcase or car that they can put the receipts in and jot down the amount on the front of the envelope.
- Now for the scary part - at the end of the month write everything down on one piece of paper (include columns for name of bill, total amount owed, minimum monthly payment, and typical monthly payment). You can get fancy with forms or computer programs, or not. The key is just to get it on paper so it is real and all in one place so you can really look at it.
- Now add up all of the columns so you can see how much is going out. Compare that to your paychecks coming in for the month.

Now you know. It may be worse than you thought, or not as bad. But at least now you know. The first step to solving a problem is admitting it exists. Now we move on to step two.

Exhale and Find Solutions

There are always solutions. They may be painful in the short term, but there are solutions. Just by adopting the mindset that your finances are a problem to be solved rather than a mystery to be ignored, you can begin to reduce your stress level. Very often, stress is caused by fear of fear. We're so afraid of what we might find out that we become paralyzed and trap ourselves in the same pattern of behavior that helped to cause the problem in the first place. The only way to break the cycle is to face the fear.

'What if...' is a huge cause of lost sleep and high blood pressure. The only solution to the 'What if...'s and the stress that comes with them is to answer them. Ok - what if we do have to go without cable for the rest of the year? Could we actually make our own coffee every morning and take it with us versus buying it on the way to work? What if I brought my lunch to work every day instead of buying it at the sandwich shop downstairs? What if the kids didn't get the Nikes next time they

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need shoes? Pulling together as a couple or family is better than trying to go it alone (which is usually impossible from a practical sense anyway since if you live with a family you are not the only one spending money).

Share the Stress

Stressing over finances by yourself might seem less stressful (you don't have to deal with the shock and awe of your partner finding out just how deep in debt you both are) but keeping the secret sucks more energy than you realize and creates a barrier between you and those you care about. If you are single, and you are stressing about finances you need to share your concerns with a good friend. Admitting and talking about the problem to a trusted friend helps bring perspective and reduces stress. It also helps if the friend you choose to confide in is someone who has their financial house in order. Don't share with the friend who is going to tell you that your credit card debt is nothing compared to theirs and suggests you go shopping!

If you are married or have a life partner, you do need to work your finances together. Hiding financial secrets is just as bad as hiding other secrets. It creates a barrier to intimacy and can leave you feeling pretty lonely and bitter over time. Although it can be a very, very painful task to bring up the subject and deal with any blow up that may initially occur, if your relationship is strong, working together on finances will make it stronger. If you have concerns about your relationship's ability to handle bad financial news, consider going to relationship counseling. Even if you just go for a session or two with an EAP or other counselor, it will give you the opportunity to address your concerns, admit the financial problems, and have a third party help you start to work together towards solutions.

Get help if you need it

Once you admit the problem and start looking at the depth of it, you may find that it is beyond your level of ability to fix and you may need to admit that you need help. Don't be afraid to ask for help. The longer you wait the more stressed you will feel (because you will start to lose the momentum you have gained by looking directly at the problem). There are low or no cost ways to get a handle on your debt and find financial assistance if you need it. The National Foundation for Credit Counseling is an organization that provides debt counseling and help with foreclosure or other financial problems. They are not affiliated with any banks or other credit organizations and will not try to sell you stocks, insurance or other products and services. Their only purpose is helping consumers use credit responsibly and get out of debt. They can be reached at 1-800-388-2227 or on the internet at <http://www.debtadvice.org/>.

Beware of expensive financial advisors that will suggest you mortgage your home to pay off your credit cards or buy insurance. Obviously the idea of using your home as an ATM was a bad idea to begin with and too many people are dealing with those unfortunate consequences now.

Learn More

Learning more about how to tackle any problem or situation is a big stress reducer. Think about how you have felt when starting a new job. You probably didn't know everything you needed to know on day one and so you had to learn all you could about your place of business and how to do your job effectively. As you did so, you felt less stressed and more confident. Money is no different. The more you learn about how to manage it, the less stressful managing it becomes. And yes, while it may seem strange, managing your money is far less stressful than ignoring it! These resources can help you learn more about living within your means, budgeting, and saving money.

http://www.govbenefits.gov/govbenefits_en.portal - find out if you are eligible for federal assistance in the US

<http://www.stretcher.com/index.cfm> - Great tips and tricks for more frugal living

<http://money.cnn.com/magazines/moneymag/money101/> - Great tools and tips for budgeting and getting control of your money.

<http://www.kiplinger.com/tools/budget/> - neat budget calculator