

3. Make a plan to change your behavior in relationship to money. Identify the specific steps you need to bring your spending and saving behavior in line with your values.
4. Develop a budget that includes every dollar you earn and spend. Include monthly obligations and necessities, such as health and car insurance.
5. Set up a plan to get out of debt. If you need to, get help from Debtors Anonymous or a nonprofit credit counseling agency.
6. Don't buy anything on credit except in an emergency.
7. Discriminate between what you want and what you need. Only buy things that you truly need.
8. If you buy something on impulse that you don't need, return the item right away.
9. Avoid buying something that needs maintenance or accessories that will lead to additional expenses.
10. At holiday time, make an agreement with your family and friends to place a limit on spending for gifts.
11. Consider learning new skills to enable you to earn more money.
12. Admit that you can't afford to buy certain items, and don't buy them.
13. Increase your appreciation for what you have by volunteering your time to help others who are in need.



#### WHERE CAN I GO FOR MORE INFORMATION?

Debtors Anonymous ([debtorsanonymous.org](http://debtorsanonymous.org)).  
 Dominguez, Joe, and Robin, Vicki. *Your Money or Your Life: Transforming Your Relationship with Money and Achieving Financial Independence*. New York: Penguin USA, 1999.

Lawrence, Judy. *The Budget Kit: The Common-Cents Money Management Workbook* (3rd ed.). Chicago: Dearborn Trade, 2000.

Pierce, Linda Breen, and Robin, Vicki. *Choosing Simplicity: Real People Finding Peace and Fulfillment in a Complex World*. Carmel, CA: Gallagher Press, 2000.

#### SEE THESE HANDOUTS ON RELATED TOPICS

Building Your Self-Esteem

Depression

Developing Your Personal Negotiation Skills

Expressing Your Feelings Responsibly

How to Set Goals

Living a Responsible Life

Managing Angry Feelings

Managing Anxiety

Work Stress

## Financial Stress

### WHAT IS FINANCIAL STRESS?

For many people, money is a major cause of stress. The details of each person's situation may vary, but most people know what it's like to feel anxious about money. For some people, the daily challenge of earning enough money to pay a given week's bills is the biggest source of financial stress. Others feel financial stress because they are unemployed or in jobs that they dislike and are trying to save money for retirement. In some families, people argue constantly about how to spend the money they have, who controls it, and how to earn more. These stresses cause marital conflict and are very often a factor in divorce.

### DO YOU SUFFER FROM FINANCIAL STRESS?

People who feel financial stress tend to be in worse health than those who are in control of their finances. Financial stress can result in



insomnia, mood disorders, inability to concentrate, and cardiac problems.

Warning signs that point to current or future financial stress include the following:

1. Finding it nearly impossible to meet basic financial agreements; living from one paycheck to the next
2. Being confused about your financial circumstances, such as being unaware of monthly expenses, account balances, and other financial obligations
3. Being in a constant financial crisis, such as bouncing checks, making only the minimum payment each month on a credit card, and using one credit card to pay another
4. Having a pattern of taking personal risks, such as by letting health and car insurance coverage lapse because you lack money
5. Focusing on today and ignoring tomorrow, such as by lacking a plan for retirement savings and one for tax and other inevitable expense payments — and feeling surprised when these expenses are due
6. Spending compulsively, such as buying things — even when you don't need them — because they are bargains, buying on impulse, and buying things only to leave them in your drawer or closet unused
7. Expecting yourself to buy everything your children want because you never had those things yourself as a child
8. Expecting to keep up with your friends and neighbors
9. Worrying constantly about your bills
10. Developing physical symptoms, such as headaches and ulcers, as a result of money worries

11. Arguing frequently with your partner about money and spending
12. Avoiding any discussion of finances because of the anxiety it causes you
13. Attempting desperately to earn money by working overtime at a job for which you are overqualified
14. Fantasizing that you will be rescued from your financial woes

### WHAT CAUSES FINANCIAL STRESS?

Financial stress can be caused by several factors, the most common of which are the following:

**Not planning ahead.** Living day-to-day seems inevitable to many people, and planning ahead may be difficult. But when emergencies and unexpected losses happen, the person who has no emergency fund to fall back on will experience much greater stress than the person who has planned ahead.

**When emergencies and unexpected losses happen, the person who has no emergency fund to fall back on will experience much greater stress than the person who has planned ahead.**

**Spending too much.** In the American culture, we are under tremendous pressure to spend money on things we don't really need. Because it is easy to confuse acquiring things with happiness, plenty of people get caught up in spending habits that can quickly spin out of control. When

one person in a relationship indulges in this behavior, it places enormous stress on the relationship with his/her partner and other family members.

**It is easy to confuse acquiring things with happiness.**

**Spending to satisfy self-esteem needs.** We might know people who have plenty of money but whose lives lack satisfaction and joy. Maybe you've experienced a time in your life when you felt empty or dissatisfied and bought things in an attempt to feel better. Some retailers even take advantage of this common behavior by encouraging us to indulge in "retail therapy."

### WHAT CAN I DO TO PUT AN END TO FINANCIAL STRESS?

1. Explore your values — the basic beliefs that guide your life. Write them down and discuss them with your partner and family. Compare your values with your spending behavior. You are likely to feel anxious and disappointed in yourself where the values are out of sync.
2. Set goals for all areas of your life, including money.

**Compare your values with your spending behavior. When they are out of sync, you are likely to feel anxious and disappointed in yourself.**