

Money woes got you down?

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Tips to reduce stress and get your finances on track

If you're feeling stressed out by a ballooning mortgage payment, mounting credit card debt and worry that a job layoff could be around the corner, you're not alone.

A poll taken earlier this year by the [American Psychological Association](#) found that 66 percent of Americans called the economy "a significant source of stress in their lives." Money is stressing 75 percent of them, and about half reported stress from housing costs (56 percent) and/or job stability (48 percent).

"For one of the richest countries in the world, that's pretty astounding," said financial psychologist [Brad Klontz](#), a native of Howell who practices in Hawaii.

He said today's economic slump is "a dangerous opportunity" but an opportunity nonetheless.

So how do you get through it emphasizing the opportunity?

FIRST: STOP THE BLEEDING

People feeling stressed often haven't identified what is causing their anxiety, said personal and business financial planner/counselor Claire Foley, who owns Fiscal Fitness LLC in Ann Arbor.

"More information is better than less," said Foley. "So take a look at your monthly cash flow, or ask yourself, 'What's keeping me up at night?'"

You may need expert help, said Amanda Walker, a manager with [Green Path Debt Solutions](#). (Green Path is also known as Consumer Credit Counseling Service of Michigan and has an Ann Arbor office.)

If you're already in a crisis, such as foreclosure, help can be especially important, she said. "Many times you don't know what options may be available."

Perhaps the problem isn't as bad as you think, or maybe it's worse, but having a picture of reality lets you know precisely what you're facing. You can see how much money you can promise creditors if you're working out a payment schedule.

"People feel better once they know what that plan is and feel like they're marching along that plan," said Foley, even if it's a plan that will take months or years to complete.

SECOND: DON'T LET IT HAPPEN AGAIN

8 ways to manage your money

1. Buy with cash, not credit cards. Cash is a reality check.
2. Have an emergency fund. Without it you have no safety net if you lose your job.
3. If money worries are making you feel depressed, hopeless or immobilized, or causing you to have relationship problems, talk with a psychologist.
4. If you're a compulsive shopper, don't shop online. Only buy online once you've researched a purchase and know that's the best offer for something you need.
5. Put some space between your impulse to buy and the actual purchase.
6. Save at least 10 percent of your income for retirement. Fifteen or 20 percent is even better.
7. Stop overspending. Credit

Many of us, Klontz said, got ourselves into these situations by making poor decisions, and those decisions are usually based on our beliefs about money.

People need to address how they got into trouble, he said.

Financial worries offer people a chance to step back and figure out what they believe about money, Klontz said.

For instance, do you see money as the way to solve all your problems? Or as something you deserve to spend, whether it's in your bank account or not? Once you've figured out what beliefs are driving your behavior, figure out what will happen if you don't change your thoughts and actions. Decide how you want your financial future to look, and employ the well-known-but-seldom-practiced advice to "spend less than you make" so you can get there.

Really look at that ugly word called a budget, Klontz said. I like to call it a 'spending plan.' "

Focus on what you did wrong so that you don't make the same mistakes, he said. And avoid shifting the blame to someone or something else.

Is there life after a financial crisis? "Absolutely," said Klontz. "... I think there's a better life after financial crisis if you navigate the crisis correctly."

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counselor Amanda Walker said she sees a lot of "basic overextension - not being able to come up with enough money each month to pay bills."

8. Be careful in choosing a financial counselor. A Better Business Bureau search (www.bbb.com) may help you weed out disreputable firms.

Advice from financial psychologist Dr. Brad Klontz (www.klontzcoaching.com) and Amanda Walker of Green Path Debt Solutions (www.greenpath.com).