



BalanceWorks® Newsletter

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Managing Financial Stress

Financial stress is one of the leading causes of chronic stress among Americans. Although some stress over finances is relatively common and widespread, the number of people who cite financial stress as a major aggravator skyrockets during difficult or uncertain economic times.

A typical lifestyle can often result in a multitude of bills and expenses. Many people are trying to juggle mortgage or rent payments, car payments, insurance payments, credit card debt, utility bills, student loans, their children's tuition, and more. Managing so many payments along with the threat of high interest rates compounding if your bills are not paid on time can be extremely stressful. Without a solid plan it can be difficult to simultaneously reach the financial goal of building a substantial savings account, while also getting or staying out of credit card debt, and living a comfortable lifestyle.

The Dangers of Financial Stress

Financial stress can have several negative impacts on your mental health and wellbeing. Stress over economic worries effects people in different ways, but common issues include: anxiety,

depression, restlessness, anger, mood swings, guilt, insecurity, and unhealthy coping techniques.

When the bills are piling up or you can't afford that new computer that your child needs for school, it is understandable to feel anxious. The problem is that this anxiety can lead to a cycle of unhealthy emotions and behaviors. Anxiety often leads to restlessness and then lack of sleep only adds to feelings of moodiness. Similarly, if people attempt to numb their anxiety by overeating, binge drinking, or indulging in other unhealthy coping mechanisms, they end up feeling nothing but disappointment in themselves after the episode is over, adding to their overall stress. In addition, feelings of hopelessness often begin to creep in when you realize that debt is piling up and more and more money is needed to make even minimum payments.

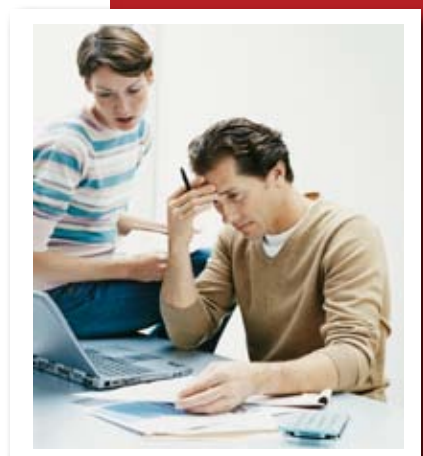
Managing your Financial Stress

Although financial issues can be overwhelming, here are some tips to help reduce your stress

For more information or support on financial management contact the work/life experts at **BalanceWorks®** by calling:

1.800.327.2255

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and empower you to feel more in control of your financial future:

Be Realistic about your Finances – The first step in dealing with financial stress is figuring out where you really stand. Can you truly not afford your rent or other payments? If so, you may have to take serious measures to begin to rectify your situation. However, this financial inventory may help determine that although you may feel strapped for cash, if you cut back on your daily Starbucks run and expensive shoe habit, you will have no trouble making ends meet. It's important to have a clear picture of your fiscal situation in order to build a strategy for effectively handling your finances.

Create a Budget – Prior to making a budget, write down your monthly income (after taxes) and expenses. Next make a category for each fixed expense, including housing costs, transportation (car payments, insurance, gas), food, utilities (phone, cable, electric), and debt (credit card, student loans), then allocate the necessary amount of money for each category. Also include any other fixed costs that you must pay monthly such as private health insurance. After this, check out how much of your monthly income is left. Now it is up to you to decide how to divide the remainder of the money between personal (fun) expenses, a savings or retirement account, incidentals, or paying higher payments on debt to reduce it faster. The key is to stick with the budget you have created. As long as you do not overspend in any budget category, you will never be late on that pesky cell phone payment again!

Reduce/Eliminate Debt – The best way to remain free of credit card debt is to never carry a balance. If you pay off your entire credit card bill at the end of each month, you will not accumulate interest charges. If you are already buried under credit card debt, attempt to pay more than the minimum each month. If you consistently make only the minimum payments, the interest charges and fees will just keep

adding up, making it nearly impossible to ever get out of debt.

Take Action – Even if you are a long way from financial freedom, taking small steps toward reducing debt or reigning in your spending can ease anxiety. When you take positive action, you feel more in control, which inspires more positive behaviors. Simply making a budget will immediately provide some stress relief because you have made some progress toward your financial goal.

Consult a Financial Advisor – If you still feel overwhelmed after taking an inventory of your expenses and creating a budget, you may want to consider consulting a financial advisor. Many advisors offer 1 free consultation, which can be very informative and may be all you need.

Partake in Stress Busting Activities – Since it can take time to get your finances completely under control, it's a good idea to find some free activities that help reduce stress. Exercise is a great way to reduce anxiety and it can be done anywhere. Walking the dog, shoveling snow, and hula hooping in your living room all provide great mood lifting benefits – no gym membership necessary! Make time for activities that make you happy, relaxed and confident, this will reduce your anxiety and drive you to make smart and savvy financial decisions.

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