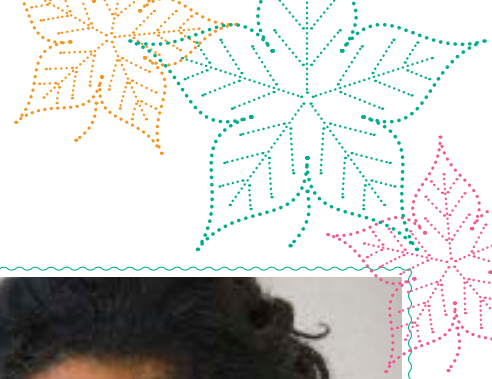


Money



Beat financial stress

Survive four common money crises without losing your sanity.

by PAULA DERROW

However well you're doing financially—and things *are* looking brighter for some people these days—it's likely you're still chewing on your nails about money. According to research from the American Psychological Association, worries about work, the economy and not having enough in the bank have topped the list of what Americans fret most about for the past five years running. And if something concrete happens to threaten your financial equilibrium—your hours are cut, your car finally kicks the bucket, or your daughter has just moved back home to live with you after college—suddenly you find yourself lying awake at night calculating debit columns in your head.

But money stress, if managed well, can be channeled into positive action—smart, practical moves that will put you in a better position to weather future storms. Here are four common financial crises and how to deal in the short and long term so you're in good shape going forward.



{The crisis}

No raise since...when was it?

Your paycheck is not keeping up with your expenses, and you feel as if you're falling further and further behind.

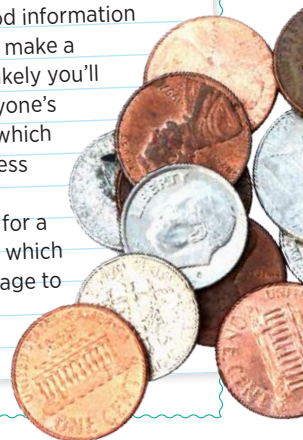
IN THE SHORT TERM

Figure out the exact amount of the shortfall, instead of fighting that vague, overwhelming sense that you're overspending. Once you say, "We're \$200 short every month," you can make decisions, such as cutting cable or taking on extra work. The point is that you've created a goal to work toward. Stress: managed.

IN THE LONGER TERM

It's time to go on a fact-finding mission. Ask around: Are other people in your company getting raises? If they are and you're not,

well, that's a conversation with your boss and an indication that it may be time to switch jobs—which, hard as it is to recognize that you're not being appreciated, is good information to have so you can make a change. It's more likely you'll discover that everyone's in the same boat, which will help you feel less singled out. Either way, you can look for a better-paying job, which will give you leverage to negotiate at your current one.





**GET RAVE REVIEWS
ON YOUR HAIR
IN ANY WEATHER!**



**NEW Improved
ClimaShield™ Formula**
for extra humidity protection



Why pay
more for
amazing
hold?

Save on Rave at www.ravehair.com
Follow us on



{The crisis}

Your adult “kid” moves back home

You're glad to feed her and give her gas money while she looks for her dream job, but the weeks are stretching on...and on....

IN THE SHORT TERM

Call a family meeting and have an open talk about expectations, financial and otherwise, so you don't fall into the old parent-child routine, where

you're picking up her dirty socks—and the cost of her movie tickets.

The conversation doesn't have to be a big drama if you treat it in a businesslike manner. Calculate how the new situation will affect your household budget. Perhaps you'll be spending \$150 more a month on groceries and sundries. Then, with numbers in hand, tell your daughter that you would like to work out some kind of financial arrangement, whether it's having her pay rent, contribute to household expenses or do certain chores on a regular basis that you might otherwise pay someone for. And involve your daughter in the solution, which will help her develop financial skills.

IN THE LONGER TERM

Set a deadline with her to leave the nest (again). If that feels harsh, don't think of yourself as the parent taking care of a child, but rather as two adults interacting. Work with her to figure out a plan to become self-supporting. You're teaching financial independence, which will benefit everyone.

{The crisis}

Your car breaks down

Hello, \$3,000 transmission repair bill.

IN THE SHORT TERM

Compartmentalize. That's right—draw a box around your worry time. For instance, give yourself an hour a week to stress about the car. When the hour's up, focus on taking positive action to bolster your cash flow. Track your expenses to see where you can shave off \$100 here and there, forgo dinners out for a few months, or postpone

a vacation. It's not forever, and you have a plan of action.

IN THE LONGER TERM

Make sure you're prepped for those financial “surprises” that aren't really surprises: a sudden spate of weddings that require gifts, the portion of medical bills not covered under your insurance or, yeah, that transmission that started making funny noises a while

back but you didn't consider a crisis. A study in the *Journal of Consumer Research* suggests that people consistently forget to budget for these “irregular” expenses—which, in reality, tend to happen on a fairly regular basis. So make a habit of funneling \$50 or \$100 out of every paycheck into a surprise fund. That way, the next time you're hit with a car repair bill, you'll be ready.



{The crisis}

Your hubby gets pink-slipped

He looks grim-faced, and while you try to be supportive, you're panicked, too.

IN THE SHORT TERM

Now is the time to connect with your network. Turn to a friend or someone more objective, such as a pastor, for emotional support. Just being able to share your feelings will make it easier to cope—there's no need to present a perfect facade.

IN THE LONGER TERM

Rather than just crunching numbers, look at your budget in terms of your values and priorities. That way you can trim based on what really matters to you, instead of feeling like outside forces are dictating change. To do it:

- 1 Track your expenses for a few weeks (or months) so you get a sense of where you might make cuts. (You can find easy tools and how-tos at womansday.com/smallchange.)
- 2 Write up a Needs/Wants chart: Look at the expenses you have coming up over the next

few months, and on one side of a piece of paper, list those that are true needs (a place to live, food, healthcare). On the other, list the ones that are wants (a vacation, a new car). Then think about which wants you could trim, put on indefinite hold or cut altogether. Simply knowing you have some choices that can save you money—and that you can pick what's important to you—will go a long way toward helping you stay calm until you can generate more income.

SHARE YOUR TIPS!
Write us at wdfeatures@hearst.com and tell us how you overcame your own money crises.

SOURCES: Amanda Clayman, financial therapist, New York City. Brad Klontz, PsyD, associate professor, Institute of Personal Financial Planning, Kansas State University, and coauthor, *Mind Over Money*. Barbara Nusbaum, PhD, psychologist specializing in money issues.



Find more money solutions in the tablet editions of this issue. Go to my.womansday.com to subscribe.



WORK HAPPENS

Be ready for whatever the day piles on

STRESS LESS. IMPRESS MORE.

Keep calm, cool and collected, no matter how stress finds you, with RESCUE®.*

WWW.RESCUEREMEDY.COM



YOU GOT THIS

Find Rescue Remedy® in the sleep aid and stress relief section at:



And other fine retailers.

*The claims for this product are based on traditional homeopathic practice. They have not been reviewed by the Food and Drug Administration.