

Taxes and stress – tips to manage both!

Tax season can be a dreaded time of year for many of us. As we run around finding tax slips and receipts and wondering what we might owe, our stress and anxiety levels may quickly rise. The [American Psychological Association](#) states that money is the top source of stress among adults and filing taxes is the most stressful money issue of all. Why does tax time cause so much anxiety? There are a few theories, including:

- **Fear of incorrect filing.** Even the most mathematically gifted among us worry about errors, omissions and incorrect deductions. Knowing what and what not to claim is enough to cause heart palpitations. Add the fear of penalties or an audit and it is understandable why so many of us dread tax time.
- **Time constraints.** There are penalties for late filings so many of us scramble to get our forms completed and submitted by the deadline, adding more stress to our daily lives.
- **Concern over what we owe.** There is nothing like a big tax bill – or the fear of one – to increase our anxiety levels.
- **Frustrations of filing.** Gathering all of our documentation, spending time methodically completing forms, checking government sites to see what we can or cannot deduct, and not knowing if we are doing things correctly can make anyone's blood pressure rise!
- **Turmoil at home.** If partners are not on the same financial page, this can cause arguments and stress. Resentment and frustrations about household finances can intensify as last year's financial records are reviewed.

Here are a few tips to help you better manage the stress of tax time.

- **Begin early.** Do not procrastinate. The sooner you get started, the more time you will have to check the details. Besides, the sooner you get your taxes done, the sooner you will feel better.
- **Get organized.** Not knowing where your invoices, tax slips, receipts, bank statements or other important documentation are can turn your free time into a frantic search party. Getting organized can be as simple as buying an accordion file to store financial information.
- **Break the task up.** Do not spend hours and hours at one time poring over paperwork. This will cause both mental and physical fatigue and increase your existing stress. Instead, spread it out over shorter periods and remember to take regular breaks.
- **Pay attention to your physical and mental health.** Eating a healthy diet, getting plenty of exercise and sleep are even more important during stressful times. Going out for brisk walk may be the last thing you feel like doing, but it may be the most helpful thing you can do for your peace of mind.
- **Face the situation.** If you owe back taxes, make an arrangement with the tax authorities to pay what you can. Ignoring the problem and hoping that it will go away not only increases the amount you owe, but also increases the chances of the government taking action.

- **Consult an expert.** If it is in your budget, hiring a professional to do your taxes can take a big load off your mind – and potentially save you hours of frustration. You can also seek advice and have your questions about taxes answered by a financial expert through your Employee and Family Assistance Program (EFAP).

Because taxes influence every aspect of your finances, you need a coordinated effort to ensure you pay the least tax possible. The best way to do that is through a complete financial plan, prepared with the help of professional advice. If you are finding it difficult to cope or need financial advice, contact your EFAP. A trusted financial advisor can help you to plan your taxes.

Raising kids to be smart savers and spenders

Let's face it, our children are enthusiastic consumers. From a very young age, they see advertising messages telling them what food is the coolest and what latest electronic device is impossible to live without. Even children as young as three are able to recognize logos and request specific brands! Compound this pressure to spend with rising education costs and suddenly it is not surprising to see many young people graduating from university or college with crippling debts. The average Canadian student now begins his or her working life with a debt load around \$27,000.

It is becoming increasingly important for our children to learn good money management skills and the consequences of debt. We want them to control their money instead of their money controlling them. But where to begin? The secret is to start early. Consider the following tips:

- **Teach kids that money has to be earned.** This applies to their allowance. Start young with age-appropriate chores. It will also teach them responsibility, how to follow instructions, and time management skills. Chores prepare children for later jobs outside the home and instill a work ethic that will help them excel in adulthood.
- **Encourage saving.** Have your children save at least 10 percent of the money they receive from allowances, gifts and work.
- **Go to the bank.** Take your children to your bank or credit union and have them open their own savings account. Every time they deposit money, they will see their savings grow. Let them withdraw money to purchase something they have been saving for. Allowing older children to withdraw small amounts via an ATM machine will demonstrate the impact of bank charges – and their bank balance!
- **Give kids control.** Allow kids to spend their allowance as they wish. If they spend it all within a day, be firm and do not give in to pleas for more money. They will soon understand the concept of budgeting.
- **Explain wants versus needs.** This is an important concept in our consumer society. Your teens may want the same smartphone or video game as their friends but they need to understand that these things are wants and have to be saved for. Learning to save for an expensive item will help them to not impulsively use credit later in life.

Looking for additional support? Your Employee and Family Assistance Program (EFAP) can help. You can receive support through a variety of resources. Call your EFAP at 1 800 387-4765 or visit workhealthlife.com.



BALANCE

A wellness update for your work, health, life

- **Comparison shop.** Make it fun. Take your young child grocery shopping and have him or her find items from the grocery list that are cheapest. If considering a larger purchase like a new bed, have an older child go online and source the best deal.
- **Get your kids involved in household money management.** Enlist their help in paying the bills. Even a very young child can open envelopes. If they can read, they can identify what the bills are for, and circle the amounts payable and the due dates. This gives them an appreciation of routine living expenses, as they may not realize we must pay for services like water or electricity.
- **Be an example.** One of the best things you can do is let your children see that you are a good money manager. Show them that you budget, comparison shop, save and take time when considering major purchases.

Helping our children learn a good work ethic, the difference between needs and wants, how to set goals, budget, and save their money will increase the probability that throughout life, they will be able to reach their financial goals and make their dreams a reality.

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