

## Money and your mind: taking care of your finances and mental health

Money problems can quite literally make you sick. If you are grappling with debt, you are more likely to suffer from insomnia, high blood pressure, back pain, headaches, stomach problems, and even heart attacks and strokes. But it is probably your mental health that suffers the most. Extreme stress can also cause you to experience anxiety, panic attacks and severe depression. You may become irritable and distracted, which can have a negative impact on your work performance as well as your professional and personal relationships.

Our financial health is closely linked with our mental health. By taking care of your money, you are indirectly taking care of your mind. It might seem overwhelming at first, but with perseverance, patience and some support, you can take control of finances – and by extension, your physical and mental health.

The process begins with a few small steps – each of which can make a very big difference:

1. **Get a clear picture.** The first step is to face reality and get a clear picture of what you owe. Ignoring the problem or telling yourself “things are not that bad” is not going to resolve the situation. Begin by gathering all your statements and write down what you owe. Then write the interest rates for each card or loan as well as minimum payments and due dates. This may cause you a great deal of anxiety, but will assist you in creating your goals and action plans. Do not waste time berating yourself; you cannot go back in time and fix things, but you can learn from your mistakes and move forward in a more positive way.

Now that you know what you owe, you need to know exactly where your money is going. Financial counsellors usually ask their clients to keep records of what they spend in a week or a month. Every cent should be recorded, whether it is cash, credit card or debit. You should also record the amount every time you withdraw money from an ATM.

2. **Get started.** Now it is time to make a budget and a debt repayment plan. Look for ways to cut your spending (i.e. do you really need that \$5 latte every morning?) If you are not sure where to start, go directly to step three.
3. **Get professional help.** Contact your financial institution or your Employee and Family Assistance Program (EFAP) provider, and ask to speak with a financial advisor. He or she will be able to help you create a realistic debt repayment plan, consolidate loans, and begin saving for the future. If you feel your spending is out of control, or if you require additional emotional support, your EFAP can also help with psychological counselling.
4. **Get support.** Confide in close friends, family members or a financial counsellor. They will encourage you to stick with your plan and provide support when you need it. Although financial problems often generate feelings of shame or embarrassment, remember that many people find themselves in this situation at one time or another.

Finally, think where you want to be in 10 or 20 years. Does that future include a house? Travel? Children? Your own business? The answer to this question will help shape your financial goals - and you can make them happen by starting today. Keep reminding yourself that the money you are paying to creditors could be going towards saving for your future – and what you want out of life.

## Mental barriers to breaking the debt cycle

It happens to many of us. We struggle to pay off our credit cards and other consumer debt only to end up back where we started a few months later. It is frustrating and demoralizing. All that hard work and sacrifice for seemingly nothing! Why does this happen?

It happens because getting and staying out of debt is less about gaining control over our finances and more about our mental attitude. To move forward, we need to understand our financial behaviour, reassess our priorities and be accountable for our mistakes. We need to overcome the mental barriers that are holding us back. Some examples of these include:

- **Thinking it is “no big deal”.** If you are thinking, “Everyone is in debt these days, right?” or, “As long as I pay the minimum amount required I will be fine,” you are in denial. While some debt, like a mortgage, may be necessary, excessive consumer debt (credit cards, loans, etc.) is a serious problem that can affect both your personal and professional relationships, as well as your ability to reach your future financial goals.
- **Feeling overwhelmed.** We owe so much that we might feel that it is impossible to pay it all off – so why even try? This type of thinking will keep us in debt. Paying off debt requires a positive mental attitude and focus.
- **Feeling deprived.** Paying off debt requires perseverance and patience. It can take months to get control of our finances and months more of not giving in to temptation. Emotional spending can compound this issue. For many of us, spending money, or “retail therapy”, is a way to make ourselves feel better. Whether we are anxious, sad, or simply bored, treating ourselves to the latest gadget, a new outfit, a night out or a day at the spa gives us a lift. But when we react emotionally, we do not think of the consequences. The best way to deal with emotional spending is to understand what triggers it and then look for alternate, healthier ways to deal with our feelings.
- **Feeling pressured.** Controlling your debt can be especially difficult when friends and co-workers are buying the latest electronics, enjoying fun holidays or shopping for shoes. We might feel pressured to keep up with our clients, co-workers, family and friends in the race to have the newest smartphone or best car. You may feel that not having these things reflects negatively on you. But does anyone really notice? And if they do, does it really matter in the grand scheme of things? Your future financial health is more important.
- **Feeling embarrassed.** Yes, it may be embarrassing to admit that you are in debt. But this is when you need to ask for help and support. Call your Employee and Family Assistance Program (EFAP) provider or your financial institution and ask to speak with a financial advisor. Confide in family members and friends – they can provide emotional support, perspective and great advice. They may be surprised or even a little disappointed at first, but they care about you and will be happy to do what they can to help – especially when they know you have taken charge of the situation.

If your negative thinking and behaviour is getting in the way of achieving your financial goals, remind yourself that the money you are spending on high interest rates is money you could have in your pocket. Getting out of

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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](http://workhealthlife.com).



# BALANCE

A wellness update for your work, health, life

debt may require a great deal of time and sacrifice, but once accomplished, you will feel liberated by having control over the money you have worked so hard to earn.

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