

# Coping with Financial Stress

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## Understanding financial stress

If you're worried about money, you're not alone. Many of us, from all over the world and from all walks of life, are having to deal with financial stress and uncertainty at this difficult time. Whether your problems stem from a loss of work, escalating debt, unexpected expenses, or a combination of factors, financial worry is one of the most common

stressors in modern life. Even before the global coronavirus pandemic and resulting economic fallout, an American Psychological Association (APA) study found that 72% of Americans feel stressed about money at least some of the time. The recent economic difficulties mean that even more of us are now facing financial struggles and hardship.

Like any source of overwhelming stress, financial problems can take a huge toll on your mental and physical health, your relationships, and your overall quality of life. Feeling beaten down by money worries can adversely impact your sleep, self-esteem, and energy levels. It can leave you feeling angry, ashamed, or fearful, fuel tension and arguments with those closest to you, exacerbate pain and mood swings, and even increase your risk of depression and anxiety. You may resort to unhealthy coping mechanisms, such as drinking, abusing drugs, or gambling to try to escape your worries. In the worst circumstances, financial stress can even prompt suicidal thoughts or actions. But no matter how hopeless your situation seems, there is help available. By tackling your money problems head on, you can find a way through the financial quagmire, ease your stress levels, and regain control of your finances—and your life.

## Effects of financial stress on your health

While we all know deep down there are many more important things in life than money, when you're struggling financially fear and stress can take over your world. It can damage your self-esteem, make you feel flawed, and fill you with a sense of despair. When financial stress becomes overwhelming, your mind, body, and social life can pay a heavy price.

[\[Read: Stress Symptoms, Signs, and Causes\]](#)

Financial stress can lead to:

**Insomnia** or other sleep difficulties. Nothing will keep you **tossing and turning at night** more than worrying about unpaid bills or a loss of income.

**Weight gain (or loss).** Stress can disrupt your appetite, causing you to anxiously overeat or skip meals to save money.

**Depression.** Living under the cloud of money problems can leave anyone feeling down, hopeless, and struggling to concentrate or make decisions. According to a study at the University of Nottingham in the UK, people who struggle with debt are more than twice as likely to **suffer from depression**.

**Anxiety.** Money can be a safety net; without it, you may feel vulnerable and anxious. And all the worrying about unpaid bills or loss of income can trigger **anxiety symptoms** such as a pounding heartbeat, sweating, shaking, or even panic attacks.

**Relationship difficulties.** Money is often cited as the most common issue couples argue about. Left unchecked, financial stress can make you angry and irritable, cause a loss of interest in sex, and wear away at the foundations of even the **strongest relationships**.

**Social withdrawal.** Financial worries can clip your wings and cause you to withdraw from friends, curtail your social life, and retreat into your shell—which will only make your stress worse.

**Physical ailments** such as headaches, gastrointestinal problems, diabetes, **high blood pressure**, and heart disease. In countries without free healthcare, money worries may also cause you to delay or skip seeing a doctor for fear of incurring additional expenses.

**Unhealthy coping methods**, such as **drinking too much**, abusing prescription or illegal drugs, gambling, or overeating. Money worries can even lead to self-harm or thoughts of suicide.

## If you are feeling suicidal...

Your money problems may seem overwhelming and permanent right now. But with time, things will get better and your outlook will change, especially if you get help. There are many people who want to support you during this difficult time, so please reach out!

Read [Are You Feeling Suicidal?](#), call **1-800-273-TALK** in the U.S., or find a helpline in your country at [IASP](#) or [Suicide.org](#).

## The vicious cycle of poor financial health and poor mental health

A number of studies have demonstrated a cyclical link between financial worries and mental health problems such as depression, anxiety, and substance abuse.

1.

**Financial problems adversely impact your mental health.** The stress of debt or other financial issues leaves you feeling depressed or anxious.

2.

**The decline in your mental health makes it harder to manage money.** You may find it harder to concentrate or lack the energy to tackle a mounting pile of bills. Or you may lose income by taking time off work due to anxiety or depression.

3.

**These difficulties managing money lead to more financial problems and worsening mental health problems, and so on.** You become trapped in a downward spiral of increasing money problems and declining mental health.

No matter how bleak your situation may seem at the moment, there is a way out. These strategies can help you to break the cycle, ease the stress of money problems, and find stability again.

## Tip 1: Talk to someone

When you're facing money problems, there's often a strong temptation to bottle everything up and try to go it alone. Many of us even consider money a taboo subject, one not to be discussed with others. You may feel awkward about disclosing the amount you earn or spend, feel shame about any financial mistakes you've made, or embarrassed about not being able to provide for your family. But bottling things up will only make your financial stress worse. In the current economy, where many people are struggling through no fault of their own, you'll likely find others are far more understanding of your problems.

[\[Read: Social Support for Stress Relief\]](#)

Not only is talking face-to-face with a trusted friend or loved one a proven means of stress relief, but speaking openly about your financial problems can also help you put things in perspective. Keeping money worries to yourself only amplifies them until they seem insurmountable. The simple act of expressing your problems to someone you trust can make them seem far less intimidating.

- The person you talk to doesn't have to be able to fix your problems or offer financial help.
- To ease your burden, they just need to be willing to talk things out without judging or criticizing.
- Be honest about what you're going through and the emotions you're experiencing.
- Talking over your worries can help you make sense of what you're facing and your friend or loved one may even be able to come up with solutions that you hadn't thought of alone.

## Getting professional advice

Depending on where you live, there are a number of organizations that offer free counseling on dealing with financial problems, whether it's managing debt, creating and sticking to a budget, finding work, communicating with creditors, or claiming benefits or financial assistance. (See the "Get more help" section below for links).

Whether or not you have a friend or loved one to talk to for emotional support, getting practical advice from an expert is always a good idea. Reaching out is not a sign of weakness and it doesn't mean that you've somehow failed as a provider, parent, or spouse. It just means that you're wise enough to recognize your financial situation is causing you stress and needs addressing.

## Opening up to your family

Financial problems tend to impact the whole family and enlisting your loved ones' support can be crucial in turning things around. Even if you take pride in being self-sufficient, keep your family up to date on your financial situation and how they can help you save money.

**Let them express their concerns.** Your loved ones are probably worried—about both you and the financial stability of your family unit. Listen to their concerns and allow them to offer suggestions on how to resolve the financial problems you're facing.

**Make time for (inexpensive) family fun.** Set aside regular time where you can enjoy each other's company, let off steam, and forget about your financial worries. Walking in the park, playing games, or exercising together doesn't have to cost money but it can help ease stress and keep the whole family positive.

## Tip 2: Take inventory of your finances

If you're struggling to make ends meet, you may think you can ease your stress by leaving bills unopened, avoiding phone calls from creditors, or ignoring bank and credit card statements. But denying the reality of your situation will only make things worse in the long run. The first step to devising a plan to solve your money problems is to detail your

income, debt, and spending over the course of at least one month.

A number of websites and smartphone apps can help you keep track of your finances moving forward or you can work backwards by gathering receipts and examining bank and credit card statements. Obviously, some money difficulties are easier to solve than others, but by taking inventory of your finances you'll have a much clearer idea of where you stand. And as daunting or painful as the process may seem, tracking your finances in detail can also help you start to regain a much-needed sense of control over your situation.

**Include every source of income.** In addition to any salary, include bonuses, benefits, alimony, child support, or any interest you receive.

**Keep track of ALL your spending.** When you're faced with a pile of past-due bills and mounting debt, buying a coffee on the way to work may seem like an irrelevant expense. But seemingly small expenses can mount up over time, so keep track of everything. Understanding exactly how you spend your money is key to budgeting and devising a plan to address your financial problems.

**List your debts.** Include past-due bills, late fees, and list minimum payments due as well as any money you owe to family or friends.

**Identify spending patterns and triggers.** Does boredom or a stressful day at work cause you to head to the mall or start online shopping? When the kids are acting out, do you keep them quiet with expensive restaurant or takeout meals, rather than [cooking at home](#)? Once you're aware of your triggers you can find healthier ways of coping with them than resorting to "retail therapy".

**Look to make small changes.** Spending money on things like a morning newspaper, lunchtime sandwich, or break-time [cigarettes](#) can add up to a significant monthly outlay. While it may be unreasonable to deny yourself every small pleasure, cutting down on nonessential spending and finding small ways to reduce your daily expenditure can really help to free up extra cash to pay off bills.

**Eliminate impulse spending.** Ever seen something online or in a shop window that you just had to buy? Impulsive buying can wreck your budget and max out your credit cards. To break the habit, try making a rule that you'll wait a week before making any new purchase.

**Go easy on yourself.** As you review your debt and spending habits, remember that anyone can get into financial difficulties, especially at [times like this](#). Don't use this as an excuse to punish yourself for any perceived financial mistakes. Give yourself a break and focus on the aspects you can control as you look to move forward.

## When your financial problems go beyond money

Sometimes, the causes for your financial difficulties may lie elsewhere. For example, money troubles can stem from [problem gambling](#), [fraud abuse](#), or a mental health issue, such as overspending during a [bipolar manic episode](#).

To prevent the same financial problems recurring, it's imperative you address both the underlying issue and the money troubles it's created in your life.

## Tip 3: Make a plan—and stick to it

Just as financial stress can be caused by a wide range of different money problems, so there are an equally wide range of possible solutions. The plan to address your specific problem could be to live within a tighter budget, lower the interest rate on your credit card debt, curb your online spending, seek government benefits, declare bankruptcy, or to [find a new job](#) or additional source of income.

If you've taken inventory of your financial situation, eliminated discretionary and impulse spending, and your outgoings still exceed your income, there are essentially three choices open to you: increase your income, lower your spending, or both. How you go about achieving any of those goals will require making a plan and following through on it.

1. **Identify your financial problem.** Having taken inventory, you should be able to clearly identify the financial problem you're facing. It may be that you have too much credit card debt, not enough income, or you overspend on unnecessary purchases when you feel stressed or anxious. Or perhaps, it's a combination of problems. Make a separate plan for each one.
2. **Devise a solution.** Brainstorm ideas with your family or a trusted friend, or consult a free financial counseling service. You may decide that talking to credit card companies and requesting a lower interest rate would help solve your problem. Or maybe you need to restructure your debt, eliminate your car payment, downsize your home, or talk to your boss about working overtime.
3. **Put your plan into action.** Be specific about how you can follow through on the solutions you've devised. Perhaps that means cutting up credit cards, **networking for a new job**, registering at a local food bank, or selling things on eBay to pay off bills, for example.
4. **Monitor your progress.** As we've all experienced recently, events that impact your financial health can happen quickly, so it's important to regularly review your plan. Are some aspects working better than others? Do changes in interest rates, your monthly expenses, or your hourly wage, for example, mean you should revise your plan?
5. **Don't get derailed by setbacks.** We're all human and no matter how tight your plan, you may stray from your goal or something unexpected could happen to derail you. Don't beat yourself up, but get back on track as soon as possible.

The more detailed you can make your plan, the less powerless you'll feel over your financial situation.

## Tip 4: Create a monthly budget

Whatever your plan to relieve your financial problems, setting and following a monthly budget can help keep you on track and regain your sense of control.

- Include everyday expenses in your budget, such as groceries and the cost of traveling to work, as well as monthly rent, mortgage, and utility bills.

- For items that you pay annually, such as car insurance or property tax, divide them by 12 so you can set aside money each month.
- If possible, try to factor in unexpected expenses, such as a medical co-pay or prescription charge if you fall sick, or the cost of home or car repairs.
- Set up automatic payments wherever possible to help ensure bills are paid on time and you avoid late payments and interest rate hikes.
- Prioritize your spending. If you're having trouble covering your expenses each month, it can help to prioritize where your money goes first. For example, feeding and housing yourself and your family and keeping the power on are necessities. Paying your credit card isn't—even if you're behind on your payments and have debt collection companies harassing you.
- Keep looking for ways to save money. Most of us can find something in our budget that we can eliminate to help make ends meet. Regularly review your budget and look for ways to trim expenses.
- Enlist support from your spouse, partner, or kids. Make sure everyone in your household is pulling in the same direction and understands the financial goals you're working towards.

## Tip 5: Manage your overall stress

Resolving financial problems tends to involve small steps that reap rewards over time. In the current economic climate, it's unlikely your financial difficulties will disappear overnight. But that doesn't mean you can't take steps right away to **ease your stress levels** and find the energy and peace of mind to better deal with challenges in the long-term.

[Read: [Stress Management](#)]

**Get moving.** Even a little **regular exercise** can help ease stress, boost your mood and energy, and improve your self-esteem. Aim for 30 minutes on most days, broken up into short 10-minute bursts if that's easier.

**Practice a relaxation technique.** Take time to relax each day and give your mind a break from the constant worrying. [Meditating](#), breathing exercises, or other [relaxation techniques](#) are excellent ways to relieve stress and restore some balance to your life.

**Don't skimp on sleep.** Feeling tired will only increase your stress and negative thought patterns. Finding ways to [improve your sleep](#) during this difficult time will help both your mind and body.

**Boost your self-esteem.** Rightly or wrongly, experiencing financial problems can cause you to feel like a failure and impact your self-esteem. But there are plenty of other, more rewarding ways to improve your sense of self-worth. Even when you're struggling yourself, helping others by [volunteering](#) can increase your confidence and ease stress, anger, and anxiety—not to mention aid a worthy cause. Or you could spend time in nature, learn a new skill, or enjoy the company of people who appreciate you for who you are, rather than for your bank balance.

**Eat healthy food.** A healthy diet rich in fruit, vegetables, and omega-3s can help support your mood and improve your energy and outlook. And you don't have to spend a fortune; there are [ways to eat well on a budget](#).

**Be grateful for the good things in your life.** When you're plagued by money worries and financial [uncertainty](#), it's easy to focus all your attention on the negatives. While you don't have to ignore reality and pretend everything's fine, you can take a moment to appreciate a close relationship, the beauty of a sunset, or the love of a pet, for example. It can give your mind a break from the constant worrying, help boost your mood, and ease your stress.

## Find financial resources

In the U.S.	Find <a href="#">U.S. Government Services and Information</a> including <a href="#">How to Get Out of Debt</a> , <a href="#">Unemployment Help</a> , and <a href="#">Getting Help with Living Expenses</a> . Or call 1-844-872-4681. (USA gov)
UK	Get help with debt and housing problems from <a href="#">Citizens Advice</a> , contact a free debt service at <a href="#">National Debtline</a> or <a href="#">Stepchange</a> , or seek free financial advice from the government's <a href="#">Money Advice Service</a> .
Australia	Find <a href="#">Government Services</a> , get free <a href="#">Financial Counselling</a> or call the <a href="#">National Debt Helpline</a> at 1800 007 007.
Canada	Find government services and information for <a href="#">Managing Debt and Benefits</a> .

## More Information

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