



UNIVERSITY OF
FLORIDA

E X T E N S I O N

Institute of Food and Agricultural Sciences

Coping with Financial Stress

Dr. Jo Turner, Professor, Family and Consumer Economics
University of Florida Institute of Food and Agriculture Sciences

Financial stress is a common malady afflicting every household to some degree. If you're not complaining about the high price of food, shoes, or airline tickets, you're just out of step with the world today. Unemployment or inflation and its impact on family income are such accepted topics of conversation that you can strike up a good discussion anywhere, anytime, even with perfect strangers.

You can recognize financial stress by the pressure it imposes on your family.

- " You worry over bills, especially ones that are overdue, interest on revolving credit accounts keep piling up when you only make small payments on bills.
- " You worry over not being able to buy everything you want, especially if your children have to do without the things they want, the things other children have, or the things you want them to have because you never had them as a child.
- " You worry because you can't save any money. Every family should have a savings plan, shouldn't they? But you put off saving until later.
- " You feel social pressures because you can't keep up with the neighbor's lifestyle, as well as the economic pressures of creditors or bill collectors.
- " You may have family tensions leading to arguments - - husband vs. wife, parents vs. child. You may get flak from your in-laws.
- " Even headaches and high blood pressure may result from these financial pressures.

Financial stress can be defined as a condition that occurs whenever income is less than desired outgo. If you are a victim of financial stress your only solution to the problem is to balance income and outgo. This balancing act can take two forms (1) either increased income or (2) decreased desired outgo. You do have a choice, but only in the long run if you are now deeply in debt. Debts you owe must be paid out of present or future income. Can you reduce your debts in the future? To reduce your debts in the future, it may be necessary to reduce your expectations for your style of living. Are you willing to make that choice?

- " When you have done everything possible to increase income, such as getting another job, putting another family member to work, working longer hours, getting a raise, or getting higher returns on investments;

- " When you've stretched your income through better buymanship - - planning ahead, buying only at sales, comparing prices, using coupons and refunds, buying only quality merchandise, and using it properly;
- " When you've substituted every other resource - - your time, energy, skills, and abilities for money and still feel pressure, you may be ready to look at your basic lifestyle and decide to get just a much out of living but without the need to buy, buy, buy.

Living a simpler lifestyle requires planning, decision-making, and more cooperation among family members. But it can result in a calmer, happier family life, and a feeling of greater value from the money you spend. It won't occur unless you take some special steps to identify why you can't live within your income, and unless you make changes that will put less demand on financial resources. And, it won't occur unless you have the personal strength to stick with the decision you have made.

Many ideas are available for coping with financial stress. Magazines, newspaper and other media all suggest ways to save money while shopping. A simpler lifestyle might require that you not make certain purchases at all. And, if your desired outgo is reduced you may be able to balance it with your income.

Consider the following tips to help you reduce outgo:

- " Think about the basic values you believe in, and define them for yourself. You might even write them down, and discuss them with other family members to see if they hold the same values. If health is a value you believe in, should you buy products to consume that would not provide better health for each family member? If integrity is another of your values should you make debts you may not be able to pay? Put each of your buying decisions to this type of test - - will buying and using the product or service help you live by the values you profess?
- " When you consider buying a new item think about what you already have. Especially in buying appliances, do you have to have every new appliance on the market? Do you already have something that does essentially the same thing? Apply this thinking to each purchase. Ask yourself this question, "What do I already have that could serve the same purpose?"
- " Be aware that certain purchases require upkeep; maintenance or accessory items that continue to drain the family budget.
- " Are you willing to learn new skills to provide for family needs?
- " Do you have the courage to say, "We can't afford it" to some purchases?

Making a few changes can help you reduce financial stress.