



## Five Ways to Combat Financial Stress During Uncertain Times

The cost of living crisis has become a global issue and has led to increased financial stress among consumers.

According to [McKinsey](#), the average life satisfaction in Europe, which consistently leads the world in well-being, recently fell to its lowest level since 1980.

Some common causes of financial stress include:

- Not having enough saved for emergencies;
- Investment losses that could derail retirement plans;
- A decrease in income or income interrupted by a job loss or furlough;
- Having high credit card or unsecured debt;
- Unexpected health care expenses; or
- Inability to pay rent, a mortgage or utilities.

While the Irish government will continue to provide economic stimulus packages including direct payments to citizens, the financial impact of the cost of living crisis may have long-term effects for some people. Here are five steps you can take to reduce stress and make a plan to get your finances back on track.

### 1. Take stock of your situation.

One way to help reduce financial stress is to fully understand how much money you have, how much is coming in each month, and what bills are due. To get a full view of the month, try mapping it all out on a monthly calendar. Mark the date or dates that you expect to receive income, as well as the due dates for your rent or mortgage, utilities, credit cards, tax payments or other fixed expenses. This will help you understand your cash flow. If most of your bills are due within a one-week period or concentrated during a particular time of the month, it may make sense to contact your creditors to see if you can change some of your due dates or get an extension and preserve your cash flow.

### 2. Track your spending.

If money is tight, try tracking your spending for a month or two to see how you're spending it. Write down each purchase and each bill paid in a notebook or spreadsheet. After your tracking period is complete, go through the list and see which expenses can be cut and which are essential. From there, try developing a monthly budget and sticking to it.

### 3. Don't try to make financial decisions all at once.

It's easy to get overwhelmed when faced with mounting bills and not enough income to cover them. Instead of looking at your financial problems in the aggregate, try tackling them one at a time and spreading out your decisions.

### 4. Remember your goals.

Just because money seems tight right now, doesn't mean your financial and life goals are any less important. Besides saving, what are some other ways you can stay on track and make progress? Some people find that doing freelance work, selling unwanted possessions or using the rent-a-room relief can help generate extra cash for the future.

### 5. Seek the guidance of a CERTIFIED FINANCIAL PLANNER™ professional.

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A number of [studies have established](#) the link between financial stress and poor mental and physical health. According to the [Australian Government Department of Health](#), signs can include arguing over money, trouble sleeping, or feeling angry or fearful. Other studies have shown financial stress contributing to inflammation, high blood pressure, muscle tension and poor digestion. If you've been affected financially by the cost of living crisis, don't wait for money problems to eat away at your overall well-being. By proactively dealing with financial stress early, you may be able to stabilise your financial situation more quickly and improve your long-term financial outlook.