



## Five ways to combat financial stress during uncertain times

Around the world, the lingering effects of the coronavirus have led to increased financial stress among consumers, particularly among those who have lost loved ones, jobs and businesses.

According to [McKinsey](#), the average life satisfaction in Europe, which consistently leads the world in well-being, fell in April 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 student loan debt;
- Unexpected health care expenses; or
- Inability to pay rent, a mortgage or utilities.

Despite provision of stimulus packages including direct payments, grants and loans, the financial impact of the coronavirus 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 relocating to a less expensive home can help generate extra cash for the future.

**5. Seek the guidance of a CERTIFIED FINANCIAL PLANNER professional.** CFP professionals are financial planners who have met rigorous initial and ongoing global competency standards for the practice of financial planning. In addition, CFP professionals adhere to a code of ethics and agree to always place their clients' interests first. CFP certification is the standard of excellence in financial planning around the world. To find a CFP professional near you, visit: <https://www.fpsb.ie/find-a-cfp/>

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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 2020 coronavirus outbreak, 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.