



## August 2008 - Newsletter

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### **AP-AOL Poll: Debt Hurts Your Body, Too!**

(Associated Press, June 9, 2008)

Most of us realize that a growing pile of bills can cause great emotional stress. But the headline above may have caught your attention because it presents evidence that high debt loads can adversely affect one's physical health as well. Research psychologist Paul J. Lavrakas, who analyzed the survey results, indicates that 10 million to 16 million Americans are "suffering terribly due to their debts and their health is likely to be severely impacted."

Among those reporting high debt stress in the poll, the AP story reported that:

- 27% had ulcers or digestive tract problems, compared with 8% of respondents with low levels of stress
- 44% reported migraines or other severe headaches, compared with 15%
- 29% experienced severe, disruptive anxiety, compared with 4%
- 23% suffered from severe depression, compared with 4%
- 6% reported suffering actual heart attacks, which is double the rate of those with low debt stress
- 51% reported severe muscle tension including debilitating lower back pain compared with 31%

And it's likely that these affected individuals are experiencing job-related problems as well since most of them reported significant sleep and concentration problems. Many also reported experiencing the "volcano effect" whereby internalized stress grows and grows until one "snaps" or lashes out at another over some minor issue.

AP economics writer Jeannine Aversa, who first described the poll findings, observes that the growing debt load is a national phenomenon that crosses all social strata. She reveals that:

- According to the Federal Reserve, consumer debt, almost all from credit cards, now totals \$957 billion, up from \$800 billion in 2004.
- Home mortgages now total \$10.5 trillion compared with \$7.8 trillion in 2004. And for many with adjustable rate mortgages, their housing obligations will explode when the higher rate ARM kicks in.
- Car loans now average \$27,397, up from \$24,888 four years ago.
- And this from Moody's Economy.com: the percentage of after tax income now devoted to debt service is 20%, up from 18.5% in 2004.

Beware of the alluring "beartraps" that may appear to offer quick fixes to debt problems. These include constantly seeking out additional lines of credit; applying for loans to provide for day-to-day needs and wasting precious monetary resources on gambling, gaming and lottery tickets!

Your Employee Assistance Program recognizes that serious financial concerns may be affecting your health, happiness and productivity at work. Remember we are here to help you with practical, "real world" solutions to effectively and responsibly address these concerns.