



Financial stress is keeping us awake at night

Most Americans worry about their personal finances, with 65% saying they worry enough about money that it causes them to lose sleep. In addition, three out of five say money stress affects their ability to focus while at work. Money is also a major source of family and relationship conflict.

What's causing all this financial stress? According to Gallup, retirement savings is a big concern for 54% of Americans surveyed; unexpected health care costs and financing health crises comes in a close second. Other concerns include educational costs, housing costs and debt.

Recent reports show that Americans are saving less and spending more. The average US personal savings rate is 3.8% of disposable income, down from 6% in 2015. Plus, too much spending involves credit cards, causing personal debt to inch up. High credit card debt is easy to careen out of control: it can take up to 20 years to pay off a 15% interest credit card debt of \$10,000 when making minimum payments.

Financial planner Liz Davidson, founder of Financial Finesse, recommends the C.A.L.M. Financial Stress Reduction Model as a sound way for people to get a handle on their cash management:

- C** – Create a plan to manage cash flow, working with a coach if necessary.
- A** – Automate bill payment and save for emergencies.
- L** – Lower nonessential spending and debt.
- M** – Make progress one step at a time.



Managing finances starts with taking stock of your current spending and building a plan and a budget. Here are some tips to help you be successful:

- Review and track household spending patterns.
- Develop and follow a spending budget.
- Find ways to cut corners and spend less.
- Build your savings. Save every pay period.
- Create an emergency fund.
- Save for long-term goals like retirement and children's education.
- Develop and follow a debt management plan.
- Review your insurance needs.
- Educate yourself about money and finances.

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