



Joshua Huffman
 Certified Consumer
 Credit Counselor
 The Village Financial
 Resource Center

Q: I've really gotten in over my head financially. How do I even start to dig myself out from under my debt?

A: If you find yourself in over your head, there are a number of steps you can take, but the most important is the first step. It is crucial to take action without delay. Too often when people find themselves in this situation financially, they bury their head in the sand and become immobilized. The longer you wait to take action, the fewer options you will have available to dig your way out.

If you are struggling with money problems, there really is no one, easy solution. There is no magic wand that can make the problems disappear. The answer to most money problems is a lot more basic than you might think, and there are steps that everyone can take to get back on the right track.

- 1. Create a comprehensive budget.** Write down all of your expenses and compare the total to your monthly take-home pay. This is the first step in identifying what options might be best to solve your money problems.
- 2. Track expenses.** Keep track of your expenses by writing down every single dollar that you spend. Categorize the expenses and at the end of the month review the budget you first created using the newly tracked figures to identify how accurate it really was. If you have never tracked your expenses before, you may find yourself shocked

Counselor Column, on Back

HOW TO STOP STRESSING OVER YOUR FINANCES



Worried about your finances? You're not alone. Money was the top stressor for the average U.S. resident in 2016, according to a survey by the American Psychological Association.

The other top stressors are work (58%) and the economy (50%). All three are connected:

- If you don't have enough money, you stress over it.
- If you don't have a job, or if your job doesn't pay enough, you stress over it.
- If the economy worsens even in small ways – say, if gas prices or tax rates rise – then you really stress over it.

Obviously you can't do much about the economic system. You might not be able to do much about your current work situation, either, if jobs are scarce or your employer can't afford to give raises.

Here's what you can do something about: the way you use the money you currently have.

Sometimes we think we don't have enough, and sometimes we're right about that. But maybe you just don't have a true handle on your finances. The following tactics will help you get control of your cash – and quit stressing.

FOLLOW THE MONEY

According to the National Financial Capability Study by the FINRA Investor Education Foundation, 18 percent of U.S. residents spent more than their income in 2015 – and not on big-ticket items like new cars or houses. The survey of more than 25,000 U.S. adults for the study found 21 percent had past-due medical bills.

Finances, on Back

"Keeping in Touch" is a monthly publication for employees covered by The Village Employee Assistance Program (EAP) through their employer's benefit package. If you have questions about your EAP benefit, or if you would like to access services, call 1-800-627-8220.

Counselor Column, From Front

at where the money really was being spent. Knowing where your money is going is one of the most important parts of managing your money; it's only when you know where the money is going that you can truly begin to make changes and plan for future goals.

- 3. Prioritize expenses.** If you are running short of funds every month and don't have enough money to pay all your bills, you have to make some tough decisions on what will get paid and what won't. Be sure to make a list of priorities; housing, transportation, food, and utilities should be on the top of your list.

- 4. Get help.** Your EAP benefit provides you access to financial counselors that can help you. Village Financial Counselors are here to help, either in person, over the phone or online. We can help you with each of the steps listed and work with you to create an action plan to get you where you want to be.

Solutions to money problems usually come from some hard work, sacrifice, and most importantly, discipline. The sooner you get started, the more options you will have for addressing the issues. And don't forget, you don't have to do this alone. Give us a call anytime at 1-800-627-8220.

Finances, From Front

You can take steps to pull yourself out of the hole. Track your spending, figure out what you owe, and make a budget.

(See the accompanying article by Joshua Huffman for tips to get started.)

SET ATTAINABLE MONEY GOALS

Once you've got a handle on your finances, start working toward some achievable goals.

First, see about contributing to a 401(k), Roth IRA or some other retirement vehicle.

Maybe you think it's smarter to pay off the balances on your credit cards first, but you can't finance your retirement. If you're lucky enough to have an employer match, aim to contribute as much as you're allowed.

Automate at least some money each month into your retirement funds, even if you have to start small.

About that credit card debt: Rather than making minimum monthly payments, make a specific plan to pay it off. If you're one of the lucky ones who brings in more than you currently spend, send some of the surplus toward your card balances.

Need a little guidance with your goals? Seek out a reputable financial counselor.

(Financial counseling is one of the benefits included in The Village Employee Assistance Program, at no additional cost to you.)

CELEBRATE EVERY VICTORY

Make a monthly money date with yourself (and your spouse or partner, if you have one) to look clearly at your funds. Look at all signs of progress:

- "My consumer debt is 15 percent lower than when I started a few months ago. If I keep going at this rate, I'll be debt-free within one year."
- "My Roth IRA has \$1,100 in it – woohoo! This time last year I didn't even have a Roth IRA!"
- "Only three more car payments and the vehicle is mine."

Feel the stress ease somewhat? You should, because you're making progress rather than staying stuck.

CREATE A FEW LONG-RANGE GOALS

Here's where the fun starts. Until now you may have felt too fearful even to look at your finances, or too worn-down with paying bills to think beyond the next money issue.

Now it's time to think about your ideal future. Specifically: What do you want out of that life? Travel? Entrepreneurship? Buying a house? Raising a family? Retiring early?

Once you've identified your goals, take action. Clean up your credit so



you can get a great mortgage rate someday. Sign up for classes or free webinars in your field of interest. Research the best travel hacks.

Identifying the life you want will greatly reduce your money stress. You'll no longer be on a financial treadmill: work, pay bills, work, pay bills. Instead, you'll be taking steps to make your dream happen.

Reprinted with permission from MoneyTalksNews.com

WORRIED ABOUT DEBT?

We can help! Financial counseling is part of your EAP. Call 1-800-627-8220 for more info.

VBI The Village
Business Institute

a division of The Village Family Service Center
Back issues available at www.VillageEAP.com