



FAMILY SERVICES
EMPLOYEE ASSISTANCE PROGRAMS
Your **Partner** in **Workplace Health**™



How Families Can Reduce Financial Stress

There are 4 stressors that impact almost every family: parenting the children, nurturing the marriage, sharing household responsibilities and managing family finances. Each of these stressors has the potential to cause a family an enormous amount of grief. But, well-functioning families make sure that:

- both parents are a team and cooperate with each other regarding the children
- the marriage is a priority and time is set aside for being a couple
- responsibilities for running the house are shared
- the adults work out how to handle family finances

Strategies for reducing financial stress

These strategies can help a family work together to reduce financial stress.

- **Look at each new year as an opportunity to set financial goals for the coming year.** Vacations, a new roof, a widescreen television, new clothes for the family and other major items need to be prioritized. Few families can afford to have everything they want when they want it. Decide ahead of time what you want to spend your money on in the next year.
- **Create a plan for handling unplanned expenses.** A problem for families is the unexpected expenses that pop up out of nowhere. Your plan should include staying calm and setting aside time to explore your options to handle this new expense. If you are stuck, consult with a seasoned accountant on how to cope with financial problems. Make sure you include seeking professional advice as part of your plan.
- **Don't rely on credit cards.** Instead, use a debit card or apply for a loan where you will not be paying an excessive interest rate each month. A good way to discourage use of credit cards is to calculate how many years it will take to pay off your current debt. This information often is shocking and may help you decide to buy things only when you have the money.
- **Ask your partner how much money he needs to have saved in order to be comfortable.** Compare your amounts and come up with a plan. If you're a saver and your partner is a spender, then come up with a middle ground you both can agree on.
- **Teach your child about money.** Since children are very concrete in their thinking, put on a practical demonstration regarding income and expenses. Use play money to show your child how a certain amount of money comes in every month as earnings. Then draw pictures to illustrate the various expenses the family has and place that amount of play money on each drawing. This demonstration will help when your child asks for things the family cannot afford.