

7 Practical Ways to Reduce Money Stress

6 MIN READ

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BY MELANIE LOCKERT

A certified financial planner and certified financial therapist share *practical ways to calm your nervous system and reclaim control of your money.*

We've all felt money stress at some point. Whether it's a surprise expense, a steep tax bill, a job loss, or simply trying to make ends meet, financial stress can creep in like an unwanted house guest. And when it goes on long enough, it can hit a fever pitch.

Today, 40% of Americans report high levels of stress related to money, according to the **Financial Health Network**. Moreover, money and the economy are leading causes of stress, based on data from the **American Psychological Association's (APA)** Stress in America surveys.

Even if you're financially comfortable, you might be anxious about whether you **have enough money or if it will last.** You might be facing very real financial challenges, like paying for college tuition, caregiving for your parents, and managing your own retirement — *all at the same time*. Stressors are inevitable, but unchecked, chronic stress can be a major health risk.

How Money Stress Affects Your Health and Well-Being

Chronic financial stress has far-reaching consequences for both your physical and

mental health.

“What I have witnessed personally in my practice is that when there is financial stress, it often is all-consuming, meaning that it is all the person can focus on,” said Amy Irvine, a certified financial planner and certified financial therapist at **Rooted Planning Group**. “They can’t sleep, they disengage with friends and family, become impatient, and often start to show impact on their health (such as headaches, digestive issues, joint pain, etc.).”

Furthermore, financial stress can lead to a surge in the stress hormone cortisol, which can negatively impact several other bodily functions. Increased cortisol affects your immune function, blood sugar, blood pressure, and inflammation.

Chronic inflammation, while not a sole cause, can go hand-in-hand with a range of diseases, including:

- ■ Autoimmune diseases
- ■ Cardiovascular disease
- ■ Diabetes
- ■ Cancer

On top of that, cortisol can impact your sleep-wake cycle and lead to sleep disruptions. Getting adequate and good-quality sleep is essential for keeping your body and mind healthy. Long periods of sleep deprivation can also increase your chances of having a chronic health problem. When you sleep well, you reduce your cardiovascular risk and support your immune system.

From a mental health standpoint, money stress can also increase rates of **depression and anxiety**.

“Depression is another common result that I see when a person is suffering from chronic financial stress. This can result in relationship issues, career impact, and other

long-term health issues,” said Irvine.

Given the wide range of effects, it’s essential to manage the financial stress as best as you can. Not everything is in your control, but you can work to alleviate stress.

How to Manage Financial Stress

Here’s a step-by-step guide on what to do when money worries start to creep in.

1. Identify the Root Cause

What is keeping you up at night? Is it a lack of income, high debt balances, uncertainty, or something else? Identifying the cause can help you find an appropriate solution.

2. Address the Fear

“We have to get to the core of what is causing the fear,” said Irvine. “Fear is real, even if the ‘event’ that causes it is unlikely to happen. Fear is also an emotion that can protect us, so when we identify a fear, we have to honor it, but also recognize where it belongs.”

3. Get Clarity

Money is supercharged with emotion. While it can bring stress and anxiety, it can also bring joy. When navigating your financial situation, Irvine notes that it’s important to identify what brings you joy. That way, you can match your spending with your values.

4. Seek Out Solutions

The solution to your financial stress will vary based on the cause of it. If you're out of a job with limited cash reserves, getting a **source of income** is paramount. If it's various types of debt, you can **choose a repayment strategy** like the Debt Avalanche (paying down high-interest debt first) or the Debt Snowball (paying down the smallest balances first).

If it's a lack of savings, identify places you can cut back so you can set more aside. If it's the stock market, economy, or inflation, those things are largely out of your control. But you can optimize your spending and saving to navigate the volatility. "A number of clients I work with have a fear of the unknown, so digging into the numbers and determining solutions for possible outcomes often gives them some relief," said Irvine.

5. Automate

If you feel like you never have enough money to save, consider automatic transfers from your checking to your savings accounts. If seeing your credit card balance fuels your anxiety, put payments on autopay. If bills stress you out, see if you can automate those as well.

The goal is to reduce emotional friction and barriers to getting the desired result. While automation can be a powerful tool, you can't just set it and forget it. You must keep tabs on your checking account balance to ensure you don't overdraw your account.

6. Talk to a Professional

Some financial situations aren't a quick fix. Depending on the severity of your stress

and situation, talking to a professional can help. For example, talking to a financial therapist, financial planner, accountant, or bankruptcy attorney. You don't have to struggle alone.

7. Set Financial Boundaries

To combat financial stress, you must put yourself first. What do you need to do to reduce stress and focus on your financial wellness? Only you will know the answer. It could mean having stronger financial boundaries.

You might have to tell your kids that you can't loan them money. Say no to a fundraising request. Hold your ground when someone is trying to upsell you. These conversations can be challenging, but avoiding them means trading a hard conversation now for harder times later.

Financial Calm Checklist

Here are some actionable steps to help you reach financial calm:

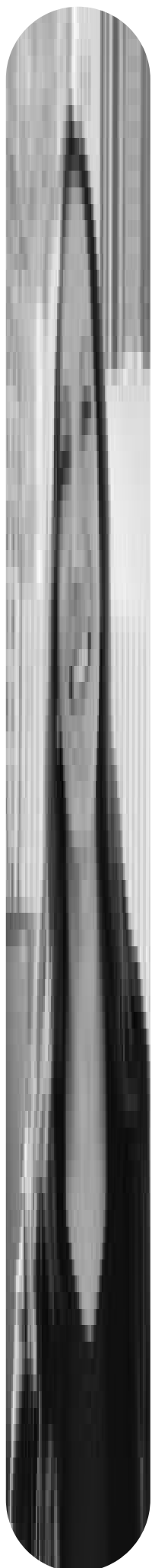
- ■ **Notice abundance:** You don't need to be wealthy to be abundant. Notice things you might take for granted and the abundance it brings. A fridge full of food. A warm home. Emotional support from friends and family.
- ■ **Practice gratitude:** As part of noticing abundance, practice gratitude for the things you *do* have, instead of focusing on what you don't.
- ■ **Practice gentleness:** Avoid beating yourself up over past financial missteps. Irvine said, "What has happened in the past can't be undone. Focus on moving forward. When the

thoughts about the past start to creep in, think of things you did that are beneficial, or that you are currently doing that are beneficial.”

- ■ **Track progress:** Check your numbers now. Set goals. Take baby steps forward and celebrate the small wins.
- ■ **Journal your feelings:** “In my experience, clients have said just putting down on paper how they are feeling helps them get it out of their head,” said Irvine.
- ■ **Get physical:** Don’t let the anxiety sit in your body. A walk, a long stretch, yoga, boxing, or whatever exercise lights you up will do.

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