

# The C&A Express

Volume 3

## **"Money Can't Buy You Love..."**

"...but it puts you in a great bargaining position."

This bumper sticker provides a tongue-in-cheek reflection of how our society feels about money. We tend to feel that simply having enough cash or "toys" will make us popular, secure, and loved.

Unfortunately, we may spend and spend to achieve these goals, only to find that not only are we no better off than when we started, but now we have major financial problems.

These problems can be as simple as overextending yourself during the holiday season or more serious concerns that can lead to difficulty managing your debt.

There are many reasons why people find themselves in debt beyond their means, including:

- External forces beyond their control
- The convenience of credit (*"Credit is a wonderful thing that lets you start at the bottom and dig yourself a hole."* – Author unknown)
- Rising expectations - "It's got to be the best and it's got to be NOW!"
- Lack of planning

### **Signs of Trouble:**

Poet e. e. cummings said, "I'm living so far beyond my income that we may almost be said to be living apart."

Here are some financial red flags to look out for:

- Borrowing or charging to meet regular expenses... such as food, utilities, rent, etc.
- Difficulty making minimum payments... on credit cards, mortgage payments, etc.
- Borrowing up to or beyond your limits... on your credit cards, home equity loan, IRA or 401K
- Having no cash reserve... most experts recommend having the equivalent of three months income in savings
- Creditors are calling you... at home or work

- You don't know where the money is being spent... or your partner "controls" the finances without keeping you informed
- You're arguing with your partner about money... or you and your partner don't agree about your financial priorities

## **Maintaining Financial Health**

While everyone's situation is unique, most experts agree that the following strategies will help you maintain your financial health and avoid future problems:

*Define your values and goals:* Take the time to sit down with your partner regularly to discuss your financial situation; talk about what is important to each of you.

*Develop a working budget:* Most people greatly underestimate what it costs to maintain their lifestyle. Developing a budget helps you identify and plan for "hidden expenses" that you don't pay every month and sometimes don't plan for.

*Evaluate your debt:* If your credit cards and other debt exceed more than 25% of your income, look for ways to reduce your debt before making future purchases.

*Limit your credit options:* If you have multiple "revolving" credit cards, eliminate as many of them as possible. And don't carry all of your cards with you, especially if you're prone to impulse spending.

*Build a cash reserve:* Most experts agree that a minimum of three months salary should be available to you in case of an unforeseen emergency.

## **Getting Started**

**The Employee Assistance Program (EAP) is a great place to start in seeking help.** EAP can direct you to a financial counseling resource in your community that will discuss your concerns with you and begin a process that will get you back on track at a comfortable pace. Most financial counseling services charge a modest fee for their services. And in some cases, the fee may even be waived.

**Call your EAP at (800) 742-2858 to start the process.** Remember, we're only a phone call away!