

Resource Guide

**SURVIVING TOUGH
ECONOMIC TIMES**

KEAP

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A Message from your EAP...

As Kentucky State Employees we all work at juggling personal and work responsibilities. Now with our national economic crisis hitting close to home (furloughs) it is important for each of us to make use of every available resource to weather tough situations and be as resilient as we can be in difficult circumstances. At KEAP it is our desire to provide information and resources in a convenient way. We hope you and your families find information in this guide that is useful to you and at the least prompts a closer look at how you can actively plan ways to manage these challenging economic times.

*Sincerely,
KEAP*

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MANAGING STRESS IN TOUGH ECONOMIC TIMES

As talk of falling housing prices, rising consumer debt and declining retail sales bring up worries about the Nation's economic health, Americans are feeling stress and anxiety about their financial future.

Money is often on the minds of most Americans. In fact, money is a top source of stress for eight out of ten Americans, according to the American Psychological Association's 2008 Stress in America survey. Add to the mix headlines declaring a looming economic recession, and many begin to fear how they can handle any further financial crunch.

But, like everyday stress, this extra tension can be managed. Psychologists first recommend taking pause and not panicking. While there are some unknown effects in every economic downturn, our Nation has experienced recessions before. There are also healthy strategies available for managing stress during tough economic times.

The American Psychological Association offers these tips to help with stress about money and the economy:

PAUSE, BUT DON'T PANIC

There are many negative stories in newspapers and on television about the state of the economy. Pay attention to what's happening around you, but refrain from getting caught up in doom-and-gloom hype, which can lead to high levels of anxiety and bad decision making. Avoid the tendency to overreact or to become passive. Remain calm and stay focused.

IDENTIFY YOUR FINANCIAL STRESSORS AND MAKE A PLAN

Take stock of your particular financial situation and what causes you stress. Write down specific ways you and your family can reduce expenses or manage your finances more efficiently. Then commit to a specific plan and review it regularly. Although this can be anxiety-provoking in the short term, putting things down on paper and committing to a plan can reduce stress. If you are having trouble paying bills or staying on top of debt, reach out to your bank, utilities or credit card company for help.

RECOGNIZE HOW YOU DEAL WITH STRESS WHEN IT COMES TO MONEY

In tough economic times, some people are more likely to relieve stress by turning to unhealthy activities like smoking, drinking, gambling or emotional eating. The strain can also lead to more conflict and arguments between partners. Be alert to these behaviors — if they are causing you trouble, consider seeking help from a psychologist or community mental health clinic before the problem gets worse.

TURN THESE CHALLENGING TIMES INTO OPPORTUNITIES FOR GROWTH AND CHANGE

Times like these, while difficult, can offer opportunities to take stock of your current situation and make needed changes. Consider alternative, healthier ways to manage your stress. Try taking a walk — it's an inexpensive way to get good exercise. Having dinner at home with your family may not only save you money, but help bring you closer together. Consider learning a new skill. Take a course through the university. The key is to use this time to think outside the box and try new ways of managing your life.

ASK FOR PROFESSIONAL SUPPORT

Credit counseling services and financial planners are available to help you take control over your money situation. If you continue to be overwhelmed by the stress, you may want to talk with a psychologist who can help you address the emotions behind your financial worries, manage stress and change unhealthy behaviors.

This tip sheet adapted from information from APA member Nancy Monitor, PhD./Copyright © 2008 American Psychological Association

IS WORRYING ABOUT MONEY CONTROLLING YOUR LIFE?

Stress and worry can take their toll on a life in many ways. How is it affecting you and your family?

PHYSICAL EFFECTS

- Restlessness/feeling keyed up
- Feeling cold/clammy
- Shortness of breath
- Rapid heartbeat
- Shaking/tremors
- Nausea/stomach problems
- Lowered immunity/getting sick more often
- Dizziness/feeling unsteady
- Tight/tense muscles
- Increased frequency of headaches
- Increased intensity of headaches
- Lack of energy
- Difficulty sleeping

MENTAL & EMOTIONAL EFFECTS

- Difficulty focusing
- Feeling out of control
- Feeling incompetent
- Increased irritability/short temper
- Feeling overwhelmed
- Apprehension
- Lack of motivation/apathy
- Blocking others out/not wanting to be close

HOW ABOUT YOUR KIDS?

- Increased sadness
- Increased feelings they are bad
- Drop in school grades
- Lack of interest in things they used to enjoy
- Increased activity level; acting silly or giddy
- Increased angry outbursts
- Increased fears about unrelated things (i.e.: separation issues, fear of the dark, etc.)
- Clinging behavior
- Nightmares/difficulty falling or staying asleep

TRY COUNTERACTING YOUR STRESS BY DOING SOMETHING YOU ENJOY, FOR FREE!

- Exercise
- Do Yoga
- Do a crossword or Sudoku puzzle
- Take a walk/hike/bike ride
- Draw/paint/do something creative
- Work in the garden
- Play a game with your kids
- Use your library – check out a book or movie
- Volunteer

IDENTIFYING PRODUCTIVE VS. UNPRODUCTIVE WORRY

PRODUCTIVE WORRY

This is the type of worry that motivates you to take steps to remedy the situation. Even the smallest step can allow you to move from worrying about the problem to fixing it.

UN-PRODUCTIVE WORRY

This is the kind of worry for which there is no answer. Unproductive worry leaves you feeling helpless because there is no active attempt to problem-solve and there is no one who can alleviate your concerns. Examples of unproductive worry: How long will this financial crisis last? Will I be able to take care of myself financially when I am old? What will happen to my family?

TASKS FOR PRODUCTIVE WORRY

1. Define the problem causing the worry.
Example: I'm spending more money than I make.
 - Get as much information as possible about your spending patterns.
 - Review your records, or begin keeping them. How much is coming in? How much is going out?
2. Develop a budget.
 - If you don't know where to start, you can find a basic format here: <http://financialplan.about.com/cs/budgeting/l/blbudget.htm>
 - Identify essential expenses.
 - Figure out where you can cut back.
 - Look at ways you can supplement your income.
 - Keep lines of communication open with your family; don't make decisions in a vacuum.

TASKS FOR UN-PRODUCTIVE WORRY

1. Learn to accept uncertainty.
 - Become familiar with those things in life you cannot control or be certain of.
2. Change your perception of the unknown.
 - Rather than equating the unknown with danger, think of it as neutral; you cannot be certain of its value until it becomes known.
 - Worrying about the unknown won't affect the outcome. It's more productive to worry about things you can do something about.
3. Make room for "worry time."
 - Set aside a specific place and time to do your worrying so it doesn't suck up your whole day.
4. Seek sage advice.
 - Avoid rumors and do a — "reality check." You would seek advice from a doctor if you were ill; talk to a financial advisor about money issues.

IF YOUR WORST FEARS ACTUALLY COME TRUE, HOW DO YOU THINK YOU WILL COPE?

People often underestimate their personal coping skills. We never know how we will respond to a crisis.

DON'T FORGET TO TALK TO YOUR KIDS ABOUT YOUR FINANCIAL SITUATION

Children, no matter what their age, need to know that they are not being punished when you tell them you can't buy that certain something they simply must have.

Age-appropriate explanations that help them understand how the current economic downturn has affected you are important for many reasons. These explanations can teach children about the relationship between income and household expenses, which also helps them understand how your money is allocated the way it is. Explain to them that all of you will have to make sacrifices until the situation improves. Emphasize that it will improve; things will not be this way forever.

CHALLENGING UN-PRODUCTIVE WORRY ABOUT MONEY

Don't let your stress get the better of you. Many of your worries are unfounded, and those that have an element of truth can be talked down to a more manageable level. Here's how:

Examples of Unproductive Worry

Challenge the Unproductive Worry

Take Positive, Productive Action

1. I'm concerned about the impact of furloughs on my financial situation.



There's no way I can know what the future will actually be, but I can begin preparing for what may come.

- ✓ Review your budget - plan now.
- ✓ Take a look at needs vs. wants.
- ✓ Talk to your family about how changes in your financial circumstance might affect everyone.
- ✓ Start cutting expenses.

2. What if I can't pay my credit card bills?



I don't have any idea what the future holds for me, but there are things I can do to maintain my good credit.

- ✓ Talk to creditors to see if you can negotiate reduced payments and/or lower interest rates.
- ✓ Contact a certified credit counselor to explore all financial options.
- ✓ Establish a realistic budget based on actual income.
- ✓ Limit your expenses to vital necessities only.

3. Identify some of your own unproductive worries:

- a. _____
- b. _____
- c. _____
- d. _____



Challenge each worry:

- a. _____
- b. _____
- c. _____
- d. _____

Identify productive actions you can take to ease your worries:

- ✓ _____
- ✓ _____
- ✓ _____
- ✓ _____

Always remember the things in your life that are truly important!

HANG ON! IT MAY BE A BUMPY RIDE!

42 MONEY-SAVING TIPS FOR SURVIVING A RECESSION

We recognize that some of these tips may seem small but small things add up. Actively look at these tips with your family. Use this as a discussion point with your family about how your team is going to work together to cut costs at home. Make it a family project so everyone is on board

FIRST THINGS FIRST...

1. Examine your spending habits and create a budget (<http://financialplan.about.com/cs/budgeting/l/blbudget.htm>). Knowing where you spend money is the first step in knowing where you can save money.

We can plan for furlough days just like teachers plan for their summers off without pay. Some take their full pay during the school year and divide it by the whole year and pay themselves evenly through the entire year to cover summer months when they're not working. If you are living paycheck to paycheck you will need to plan for a furlough day without pay. Consider taking part of a full check and saving it for the furlough period. The best way to get a handle on how to manage your money minus the furlough pay is to understand where your money is going. A budget is a great place to start tracking where your money is going and where you can make adjustments.

CUT YOUR EXPENSES AT HOME

2. Scale back the cable TV. Switch to basic cable and you'll be amazed at how much money this will save.
3. Hang up the land line telephone. If most of your calls are to other cell users in the same network, consider canceling the land line and using your cell phone exclusively.
4. Look into combined service packages. If you need a land line telephone, many companies offer combined telephone/cable TV/Internet access.
5. Every now and then, designate a no-spend weekend. Try to go an entire weekend without eating out, shopping, or ordering anything on-line.
6. Do it yourself. What can you do yourself instead of paying someone else? Consider mowing the lawn, washing the dog, doing your own manicures/pedicures — even changing your car's oil.

CUT YOUR TRANSPORTATION COSTS

7. Check your vehicle's tire pressure each time you fill up with gas. Under-inflated tires and dirty air filters can reduce your gas mileage.
8. Change your driving habits to save on gas. Stop "flooring it." when you set out after a stop and lower your interstate speed. Both will save gas consumption.
9. Carpool a couple of times a week. Take turns driving to the office with a co-worker, especially if they live reasonably close to you. This will lower your gas costs and reduce the wear and tear on your car.

10. Buy a used car.

You can save thousands of dollars by purchasing a used car. Make sure to have an independent mechanic check it out before you pay.

11. Wash your own car.

A wash-it-yourself service costs about half the amount of a professional car wash.

12. Consolidate errands to one trip.

Plan your route, too, to avoid driving in circles

13. Unload your car trunk.

Extra weight in your trunk cuts down on gas mileage and increases wear on your tires.

14. Perform routine maintenance to extend the life of your car.

Change your oil every 5,000 miles. Look for specials on oil changes. An independent mechanic can save you money, especially on major repairs. Get a recommendation from a friend or co-worker.

CUT YOUR TRANSPORTATION COSTS

15. Skip the movie theater — rent instead.

Consider signing up for an on-line DVD rental service. No late fees and no gas wasted traveling back and forth to the rental store. Or, go to the library to check out a free movie.

16. Say no to meeting with friends for dinner at a restaurant or agree to meet after dinner.

It's not fun to turn down a chance to go out with friends, but there are ways to say yes without spending a fortune

17. Host a simple pot-luck dinner at your house.

Make sure everyone brings something, so that your budget doesn't go out the window.

MONEY AND INVESTMENTS

18. Educate yourself.

<http://personnel.ky.gov/moneyworks.htm>

19. Diversify your income.

Look for ways to increase your income outside of your full time job. Do you have a hobby that you could turn into a small business?

20. Don't pay anything for banking privileges.

There are many free checking options out there that include no-fee basic services such as check writing, use of a debit card and ATM.

21. Save money on your insurance.

Assuming you have an adequate emergency fund in place, consider raising the deductible on your auto and/or home insurance; this will lower your premiums

22. Look into the Health Care Reimbursement Account and Dependent Care Reimbursement Account.

If you have out-of-pocket medical expenses or pay for child care, set aside pre-tax money and file for reimbursement. Judge carefully; unused funds are not refunded. Sign-up is available during the fall Open Enrollment Period.

23. Adjust your W-4.

If you received a huge refund this year, increase the numbers of exemptions and increase your take-home pay. Check out <http://www.irs.gov/individuals/article/0,,id=96196,00.html> to help calculate the right number of deductions for you to break even.

24. Put away the credit cards.

Establish a pay-as-you-go attitude. Use credit cards as an absolute emergency (not a trip to Hawaii). Put money aside in a separate account for large-ticket items.

25. Stay away from the stores.

Stay out of the malls, especially, unless you know what you're shopping for and what your budget is. "Recreational" shopping leads to impulse buying.

CUT DOWN ON YOUR FOOD BILL

26. Pack your lunch.

It could be a sandwich, fruit and a bag of chips...or how about terrific leftovers, creative salads, or veggies and dip? In a pinch, a premade salad from the grocery store is less expensive than ordering salad in a sit-down restaurant.

27. Drink tap water.

Remember when nobody bought bottled water? If you have sensitivity to tap water chemicals, consider buying a water filter for your kitchen faucet.

28. Bring your own mug of coffee.

Coffee drinks cost between \$.99 and \$5.00. Expand that out a year, and you're saving real money (and the earth)!

29. Eat less meat.

Try a meatless dinner once a week. Beans and soy products such as tofu provide plenty of protein and cost less than meat.

30. Look for specials.

Start reading the food ads in Thursdays' newspapers. Buy items on special and on the "reduced to sell" rack.

31. Shop at farmers' markets for fresh and affordable produce.

Local farmers sell only what's in season, and often cheaper than in the supermarkets. This also reduces your "carbon footprint."

32. Use coupons wisely.

Cut coupons for only the things you normally buy. Try to use the coupons the same week they come out — stores often have the coupon items on sale.

33. Buy generic. There is sometimes no difference between a brand name and a "plain label" product. Read the list of ingredients. This also goes for cleaning products and over-the-counter medications, such as aspirin.
34. Look at the unit price. Packaging costs money! Buy more if you'll use it before it spoils. And repackage food yourself — the convenience of single servings is costly and creates more waste.
35. Switch to cloth napkins. Cloth napkins are a great alternative to paper ones, which increase waste and add to your non-food budget.
36. Buy the right amount. If you have room to store 18 rolls of paper towels, it makes sense to buy them in bulk and on sale. Buying 3 pounds of ground beef on sale only makes sense if you are able to use some and freeze some.
37. Make it yourself. It's never too late to learn the basics of cooking. You'll not only save money, you'll also cut down on unintended salt and chemicals from packaged foods.
38. Take it with you. Whether it's a picnic, a soccer or football game, pack that cooler and save money.
39. Reinvent the leftover. For example, buy a whole chicken and roast it. Leftovers can then be put in sandwiches, soup, salads or casseroles.
40. Eat breakfast. Breakfast staples, especially cereal, can be healthy and cost-effective. Add milk and a glass of juice, and you're set for the morning.
41. Serve on smaller plates. You can put enough dinner on a 7-inch plate to fill most appetites, and it won't look like you're skimping. The remaining food can make a good lunch for the next day.
42. Avoid convenience stores. "Convenience" here means prepared foods, lots of packaging and more costly than the same item purchased at a supermarket.

There is nothing with which every man is so afraid as getting to know how enormously much he is capable of doing and becoming.

Soren Kierkegaard

WEB AND COMMUNITY RESOURCES

GETTING OUT OF DEBT

Consumer Credit Counseling (Apprisen) <http://www.apprisen.com>

National Foundation for Credit Counseling Phone: 800-388-2227
<http://www.nfcc.org>

Free Annual Credit Report Phone: 877-322-8228 PO Box 10528, Atlanta, GA 30348-5281
<https://www.annualcreditreport.com/cra/index.jsp>

MORTGAGE, FORECLOSURE AND RENTAL ASSISTANCE

Kentucky Homeownership Protection Center www.kyhousing.org/protect/

Guide for Avoiding Foreclosure (US Department of Housing and Urban Development – HUD) <http://www.hud.gov/foreclosure>

HUD Renter's Information http://portal.hud.gov/portal/page/portal/HUD/topics/rental_assistance

BUDGET MANAGEMENT

Smart about Money Financial Information www.smartaboutmoney.org

Mint Services www.mint.com
Free Personal Finance Software

LEGAL ASSISTANCE

Legal Aid For low-income and elder Kentuckians www.kyjustice.org

Lawyer Referral Service In Kentucky <http://www.kybar.org/291>

**HELP WITH
MEDICAL COSTS**

KPAP – KY Prescription Assistance Program

(502) 564-7212

www.chfs.ky.gov/dph/info/dpqj/KY+Rx+Drug+Assistance+Program.htm

Cancer Care

(800) 813-4673

www.cancercare.org

HealthWell Foundation

www.healthwellfoundation.org

**TRANSPORTATION
SAVINGS**

CarPool KY

www.secure.kentucky.gov/governor/carpool/default.aspx

Rideshare

www.rideshare.com/

Kentucky Public Transit

www.kypublictransit.org/KYTransitSystems.htm

LexVan

www.lexingtonky.gov/index.aspx?page=1436

Louisville Ticket to Ride

www.tickettoride.org/

MONEY SAVINGS

Coupons

www.coupons.com

www.shortcuts.com

www.restaurants.com

www.fatwallet.com

Grocery Deals

www.mygrocerydeals.com

Energy Savers

www.energysavers.gov