



# January's Financial Stress

By Dr. Linda Hancock

## ABOUT THE AUTHOR

Dr. Hancock has written a regular weekly column entitled "All Psyched Up" for newspapers in two Canadian provinces for more than a dozen years. Over the years, her readers and clients have said that they have benefited from her common-sense solutions, wisdom, and sense of humour. Dr. Linda Hancock, the author of "Life is An Adventure...every step of the way" and "Open for Business Success" is a Registered Psychologist who has a private practice in Medicine Hat. She can be reached at 403-529-6877 or through email [office@drlindahancock.com](mailto:office@drlindahancock.com)

## Published

February 1st, 2017

Christmas is over and the bills are arriving. It's time to figure out how you are going to handle the January financial stress. Following are some hints that will help you to get back into control again:

#### REGULAR REPEAT EXPENSES:

1. Prepare a chart with headings that include: Item; Amount; Due Date; Minimum Payment; Interest charged; Notes
2. Go through your bank statements and invoices entering information about recurring expenses in the chart. These are things that you cannot change and must pay based on your contracted arrangements.
3. Consider ways that you might be able to reduce these costs. For example, calling your telephone, internet or cable companies may provide you with options to move to a less expensive plan.
4. Think about how larger decisions might improve your finances within the next few months. Maybe you can move to a less expensive location or sell a vehicle for example.
5. Total the amount that you need to pay all of these expenses each month without having to pay a penalty.
6. Set a plan for the next twelve months to pay off as many accounts as possible that incur interest.
7. Do not add any new accounts or items. For example, it is much less expensive to pay for repairs on a vehicle than to incur an ongoing payment.

#### DISCRETIONARY EXPENSES:

1. Make a chart with the same headings as you did for the Regular Repeat Expenses.
2. List all of the things that you need (not want) each month. These would include things such as food and hairstyling.
3. Consider the things that you can reduce or eliminate from your list. You might, for example, decide to make your lunch instead of eating out or get your haircut every six weeks instead of every five weeks.
4. Use what you already have. You can likely dress appropriately with the items you already own or read a book rather than going to the theater.
5. Allocate the amount you can save on discretionary items towards paying off things in #6 above.
6. Use cash instead of credit or debit cards so that you can more easily connect with your spending habits.
7. Make payments on #6 items more frequently. For example, paying a small amount weekly rather than a larger amount once a month will reduce interest charged.
8. Pay extra amounts on the item or accounts with the highest interest rate first.
9. Close accounts as you pay them off - especially credit cards.
10. Stay out of the stores as much as possible so you won't be tempted!

#### INCREASE YOUR INCOME:

Even if you only earn an additional \$20.00 a week, you will have an extra \$1,040.00 per year. When applied to an account with a 21% interest rate, you save at least \$218.40 compounded, reduce your debt and improve your sleep factor!  
Imagine what would happen if you could earn \$200.00 extra a week.