

## Is Money Making You Anxious?

Financial anxiety, also referred to as money anxiety, has become more common than ever, driven by rising prices in everything from fuel to housing, food, and more. While it is not an official diagnosis, the term is generally used to describe feeling nervous, worried or on edge when it comes to engaging with money and your personal finances. It is, quite simply, an emotional response to your financial situation, and it tends to show up as excessive worry and fearful thoughts. Financial anxiety differs from financial stress, which is usually related to an external trigger, like losing your job, for example.

Financial anxiety can be caused by a variety of reasons, not just a lack of funds. In fact, sometimes it is brought on by other forms of anxiety, like generalized anxiety disorder, for example. It can also be caused by feeling unprepared or just not understanding financial terms or numbers. Everyone worries about money from time to time, but financial anxiety is more severe than just worrying about having enough money in our bank account. It can be an obsessive fear of things related to money that can often be debilitating.

Financial anxiety is unhealthy and can have an impact on your physical and mental health, which can result in insomnia, loss of appetite or overeating, an inability to focus, and more. It can also make you feel irritable or resentful, causing conflict with family or loved ones. And money anxiety can easily get in the way of a good night's sleep. Insufficient sleep over time can have a major impact on your health.

Financial anxiety can manifest itself in a variety of ways, from overspending, which can temporarily relieve money anxieties, but ultimately exacerbates your situation, to hoarding, which is when people take comfort in material items to relieve the anxiety of money challenges. Some people, on the other hand, undertake in obsessive saving, sometimes neglecting their personal health or home repairs, for example. People who overwork or work obsessively to earn more may also suffer from this type of anxiety. They often feel driven to dedicate every waking hour to work to alleviate their financial anxiety.

For some, financial anxiety can lead to depression or obsessive behaviour, such as continually checking your online bank account. You might constantly think about your budget, or lack thereof, feel guilty about your finances or financial decisions, or feel apathetic towards your financial goals. Some people constantly rehash past money mistakes, like a bad purchase or taking out a high interest rate loan, which is called rumination.

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When you experience anxiety symptoms, your body is responding to that possible danger, whether it truly exists or not, by increasing hormones meant to help you fight or flee from whatever is stressing you out. This can cause physiological responses like nausea, headaches, a racing heart, and shortness of breath, among other symptoms.

If you experience this occasionally, it is not necessarily a big deal. Ongoing financial anxiety, on the other hand, is very unhealthy. In fact, chronic financial anxiety is linked to depression and digestive problems as well. One of the most common side effects of financial anxiety is insomnia. Of course, the less you sleep, the lower your ability to manage stress, so it becomes a vicious cycle.

One common reaction to financial anxiety is avoidance. By avoiding your finances, however, the situation can easily get worst, thus leading to even higher levels of anxiety. Others find themselves overcome by analysis paralysis, which causes them to struggle with making even minor financial decisions. Contrary to what you may think, financial anxiety can happen to anyone, regardless of how much money you earn or have in your bank account.

There are factors that increase one's likelihood of experiencing financial anxiety. People who grew up in poverty or have gone without food or housing are typically more protective of their financial resources and may go to extreme lengths to save money. Similarly, if you have low or unsteady income, you are more likely to worry about money. You are more vulnerable to monetary disruptions if you are living paycheck to paycheck because you likely don't have a savings account to fall back on.

In many places, living has gotten much more expensive, and, for many people, wages aren't keeping up. Inflation is a leading cause of financial anxiety because your money no longer has the purchasing power that it used to. If you carry debt, you are more likely to suffer from financial anxiety because you really have no choice but to pay debt back. Sometimes, like in the case of student loans or a mortgage, the debt can be very high and overwhelming and, if you miss payments, you can quickly accrue high levels of interest. At times, you may feel that you will never get free from your debt.

The following are strategies you should consider reducing your financial stress when the going gets tough. First and foremost, I urge you to focus on what you can control first. Everything that is causing stress cannot be changed. The reality is that you can't always control what happens. If you focus on uncontrollable factors, it may, in fact, increase your stress due to your frustration at being powerless to influence them.

Instead, concentrate on the factors under your control so you have the chance to change the circumstance. Consider your grocery budget, for example. When you find ways to save money, it gives you a sense of control and a feeling of success, thus enabling you to feel less stressed.

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Of course, one of the most important steps is to develop and stick to a budget, which will help you plan where your money will go each month. According to a 2022 study, budgeting was the single most effective strategy people used for reducing money-related stress. It's imperative that you set aside time to write down your income and spending. It doesn't need to be complicated, and budgets are intended to be fluid, so you may not get it right the first time. Consider using the 50/30/20 rule for budgeting as follows:

- 50% goes to fixed costs like rent, utilities, and car payments, for example
- 30% goes to variable costs like groceries, entertainment, and shopping
- 20% goes to financial goals like building an emergency fund, paying down credit card debt, and saving for retirement.

It's important that you set realistic savings goals by first figuring out a percentage of your income that you're able to put toward savings. If you're unemployed right now, don't feel pressure to save or beat yourself up if you have to tap into your savings to get by for now. That's what they are there for, after all.

Another suggestion I give people is to find strategies to increase your income. A budget can only be decreased so far as you will always have basic expenses that can't be avoided. The best thing you can do is to try not let expenses become an additional cause of worry for you. Making efforts to increase your income is another approach to reducing some of your financial stress.

It may seem challenging to increase your income, but it isn't impossible. If your employer is open to it, one easy method to enhance your income is to consider working a few additional hours a week. If you can't work more hours, look for alternative sources of income. For instance, families with children may not have enough time to complete routine housework. Many people are willing to pay someone to pick up groceries, trim the lawn, and assist kids with homework, for example.

My next tip is to prioritize paying necessary bills by paying your most important expenses first, if you are concerned about being able to pay all of your bills. Reviewing and prioritizing your bills after going through them serves two purposes:

- It forces you through a budgeting exercise, and you might discover that you can cut back on some expenses. One perfect example is that people sometimes discover unused subscriptions that they don't really need. Or, maybe, you could cut back on daily coffee drinks and save a few rupees.
- If you have determined in advance which bills you will pay first, you won't have to scramble to decide which ones to pay if you find yourself in a position where you are unable to do so. This will also hopefully help you sleep better and lessen your financial concern.

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Sometimes, when you are in the crux of your anxiety, you need to blow off some steam. If you're finding it hard to focus, try a 10-minute break to ground yourself and improve your mood and focus. Depending on what works best for you, consider listening to music, taking a quick walk, doing some breathing exercises or a meditation.

First and foremost, it's imperative to save money, if you can. Try to maintain a regular savings schedule. Even if it's just a modest amount, you are encouraged to start saving today if you don't already. Another thing you can control is to develop a savings plan that makes it easy to adhere to. You'll feel a sense of success after saving money, which helps ease worries. Having that money on hand in case you need it later will also reduce some of your financial tension.

Consider putting your money in high-yield savings account if you want to keep it accessible while earning more interest. High-yield savings accounts are excellent for saving emergency funds because they offer higher interest rates than standard savings accounts. You should also consider setting up an automated transfer from your chequing account that makes it easy and convenient to put a regular amount aside each month.

If you have any additional money have after you have created an emergency fund, you might consider placing it in a Certificate of Deposit. In short, you agree to keep the money in the account for a predetermined period at a guaranteed return rate that is typically higher than ordinary savings accounts.

It's important to monitor your success in saving money. You won't know if you're making progress if you don't track it so always ensure you are aware of your position. Knowing your progress is also beneficial because when you achieve your financial objectives, such as paying off debt, the psychological benefits can improve your happiness and general well-being. You might not be aware of how much progress you are genuinely making if you aren't keeping track of your financial objectives.

It's important to try not to panic about debt. You must realize that paying off debt immediately is unrealistic. In fact, taking steps to budget and save are first steps toward being able to address debt. There are options available to manage some debt, like negotiating a lower credit card interest rate for credit card debt, for example, or refinancing student loan debt.

Enhancing your financial literacy is very important for everyone, but particularly important for those who suffer from financial anxiety. Simply reading finance articles or learning a few finance terms each day can help ease your worries. Sometimes, brushing up on your financial jargon can make money decisions feels less daunting. You can also hire a financial coach to help explain confusing language and guide you through some of the complexities of money.

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You should also consider finding some social support. Many people hide financial issues because they feel embarrassed, but a lot of people have trouble with money, and anyone can experience money anxiety or financial concerns. Problems of any kind tend to be less frightening when you face them as a group, so consider turning to friends, loved ones or members of a support group to help you tackle your financial anxiety.

One of the most important factors is to remember that you are not in this alone, and that there are many of us who struggle with financial anxiety. One thing you can do to reduce financial anxiety is to consult your lenders. The weight of debt can be both material and psychological. Speak with your lenders before allowing debt and the stress it brings to consume you. Always remember that lenders are frequently willing to talk with you about your problems and come up with at least a temporary fix.

Just remember that, if money has been consuming your daily thoughts, this is the time to take a step back and let go of the past. You won't be able to reach your financial goals, pay down your debts and make more money if you're physically or emotionally drained. One of the best ways to stay on top of your finances is to get organized and focus on the future. Try to focus on the financial goals that excite and inspire you, remember what you are doing and how you plan to get there.

Write it down and reassess regularly. If you get into the habit of regularly checking in with your finances, it is the simplest way to shape a healthy relationship with money. And remember to schedule time to look at your money so you can approach it in a safe, more focused setting. Choose three things to do each time you check in, like reviewing how your money is coming in and out, predicting what expenses you have coming up, and making adjustments to prevent being reactive, for example.

On the very important topic of debt, we know that it is one of the key challenges that many of us face today. Unfortunately, women in India are more susceptible to debt than men are. It is so easy to get mired in debt, which is readily accessible nowadays, and to have this debt snowball and cause undue stress. This makes understanding and managing debt extremely important, and the earlier you learn and practice good debt habits, the better.

If you're facing soaring debt and the stress of an aging parent and growing children, I advise you to determine the best way to pay down your debts as quickly as possible while ensuring you save for emergencies. The best way to pay down your debt is with a strategy. One common strategy is to determine which loan has the highest interest rate and pay it off first. Another is to pay off your smaller bills first then concentrate on the bigger loans.

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As those debts come down and are eliminated, then those payments can be used for other financial goals, like building your emergency fund or putting money away for your children's education.

Ideally, one should aim to be debt-free or carry only a minimal amount of debt, but it IS so easy to allow debt to creep up on you. The bottom line is that plenty of people are worried about money these days. However common they might be, these lingering feelings of money anxiety can leave you overwhelmed, and, over time, they can contribute to serious mental health concerns, including depression and chronic anxiety.

It's time to STOP comparing your lifestyle or spending to others. Spending and accumulating wealth is not a contest, after all. And, if you haven't already, set up monthly auto payments. This takes the guesswork out of your monthly payments, making it easy and convenient to put money aside regularly. If you don't have a systematic investment plan set up already, do your research and get one going today!

It can take time to resolve long-standing financial challenges, but you don't have to navigate your fears and worries alone. Don't be shy to turn to either a financial counsellor or advisor for more guidance on numbers, financial jargon and strategies, and more. Or to a therapist to support you in finding helpful self-care strategies and techniques to manage stress and anxiety.

Remember think positive and know that you can overcome whatever it is you are facing. Start by identifying what it is that causes you anxiety, which is the first step in managing it. Another valuable tool to help manage financial anxiety is to question anxious thoughts, which tend to spiral out of control. Remember that financial anxiety tends to show up physiologically so tune into your body's sensations and find ways to relax.

Lastly, one of the most valuable ways to tackle financial anxiety is through financial education. The more familiar you are with the terms and concepts, the less overwhelming it will be for you. Educate yourself in bite-sized chunks by listening to podcasts, reading articles, watching tv, or reading a book. Try to commit to at least 30 minutes/week, for example, to increase your financial literacy. Lastly, don't be afraid to seek professional help if you're constantly struggling to make ends meet.

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