

FIVE WAYS TO COMBAT FINANCIAL STRESS DURING UNCERTAIN TIMES

Financial stress is one of the most prominent drivers affecting New Zealanders' physical, social, and emotional wellbeing, with a third of Kiwis being unhappy with their financial situation.* Fourteen per cent of New Zealanders have experienced a major worsening of their household financial situation since March 2020.**

Some common causes of financial stress include:

- Increased cost of living
- Not having enough saved for emergencies
- Investment losses that could derail retirement plans
- A decrease in income or income interrupted by a job loss or accident/illness
- Having high credit card or student loan debt;
- Unexpected health care expenses
- Inability to pay rent, a mortgage or other bills.



Here are five steps you can take to reduce financial stress and get your financial health, wealth and wellbeing back on track.

1. Take stock of your situation. One way to help reduce financial stress is to fully understand how much money you have, how much is coming in each month, and what bills are due. To get a full view of the month, try mapping it all out on a monthly calendar. Mark the date or dates that you expect to receive income, as well as the due dates for your rent or mortgage, utilities, credit cards, tax payments or other fixed expenses. This will help you understand your cash flow.

If most of your bills are due within a one-week period or concentrated during a particular time of the month, it may make sense to contact your creditors to see if you can change some of your due dates or get an extension and preserve your cash flow.

2. Track your spending. If money is tight, try tracking your spending for a month or two to see how you're spending it. Write down each purchase and each bill paid in a notebook or spreadsheet. After your tracking period is complete, go through the list and see which expenses can be cut and which are essential. From there, try developing a monthly budget and sticking to it.

3. Don't try to make financial decisions all at once. It's easy to get overwhelmed when faced with mounting bills and not enough income to cover them. Instead of looking at your financial problems in the aggregate, try tackling them one at a time and spreading out your decisions.

4. Remember your goals. Just because money seems tight right now, doesn't mean your financial and life goals are any less important. Besides saving, what are some other ways you can stay on track and make progress? Some people find that doing freelance work, selling unwanted possessions or relocating to a less expensive home can help generate extra cash for the future.

5. Seek the guidance of a financial advice professional. Financial advice professionals work with you to understand your goals and aspirations. They provide recommendations and advice relevant for your situation and ensure that you have the knowledge you need to help you make decisions at critical points in your life. Accessing quality financial advice will help you be better prepared for the future, more comfortable with your financial position and confident in your financial decision-making. To find a financial adviser in your area visit www.financialadvice.nz



Research by Financial Advice NZ*** shows that professional financial advice has enabled New Zealanders to live better lives through improved financial security, mental health, family life, and even physical health.

More than two thirds of advised New Zealanders (67%) say that their financial security has improved at least slightly as a direct result of receiving financial advice.

Further to this, sizeable proportions also say that advice has had a positive impact on their mental health (46%), family life (40%), and even on their physical health (25%).

New Zealanders who have received advice generally agree that they are less concerned about finances (33%), given them a plan for the next generations of family (20%), and even enabled them to achieve smaller personal goals like travel more regularly (18%) or pursue their hobbies and interests with more time (16%).

*[Southern Cross Healthy Futures Report 2022](#)

** [Consumer experience with the financial sector report - FMA](#)

*** [Better Behaviours, research on the value of financial advice - Financial Advice New Zealand](#)