

FACING YOUR FINANCIAL PROBLEMS

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Below is an update of articles written by me for both the American Bar Association's Solo Journal GPSolo Magazine – April/May 2005 and the Maryland State Bar Association's Bar Bulletin August, 2006.

After yet another night of tossing and turning, James notices the first faint light of dawn streaking through the curtains. It is nearly morning now, and yet another night has passed without deep sleep. James crawls out of bed and stumbles to the shower. As usual, James is agonizing over his financial problems. He wonders whether his mind, body and soul will have the stamina to get him through yet another day.

James is a sole-practitioner and at age 49, he finds himself over his head in debt. Moreover, life goes on and every day needs must be met. The reality of the situation is that James owes money that he cannot pay, including but not limited to: credit card bills, mortgage payments, car payments, utilities, student loans, etc. In fact, James –normally a professional's professional – is even parking his car a few blocks away from home because he has missed a few car payments. Additionally, in order to deal with the bill-collectors, James has made sure every single phone, both at the office and at home, has Caller I.D.

As an attorney, James cannot believe his financial predicament. He describes himself as a frugal person and a family man. However, after a number of harsh life-events, James finds himself going deeper and deeper into a red financial hole. "My bills are sticking to me like Velcro and the pawn shop is fast becoming my shop of choice!" Accordingly, the additional pressure, anxiety and tension to an already-stressful lifestyle are straining every aspect of James health and life.

The Problem:

Financial worries can and do create enormous stress, particularly when they threaten your health, your home, your business and even your family. Of course, financial difficulties may be caused by overspending, however, more often they are created by events beyond our control such as low cash-flow, low income, job loss, litigation, health and even turbulent world affairs.

Asked which emotions they most often associated with money, 71 percent of the 20,000 people responding to a survey conducted by *Psychology Today* listed anxiety. Of the 20,000 respondents, 52 percent listed depression and another 51 percent listed anger. (The survey allowed for more than one response.) Those most stressed by money – and they were not necessarily jobless – complained of more fatigue, insomnia, headaches and other stress-related complaints.

Likewise important, James kept occupied, active and involved. Assisting (on a limited basis) in the community, the local or state bar associations or church projects kept him positive. By so doing, James helped others while helping himself build feelings of self-worth. From James, the most valuable life/business lessons came from facing up to the challenges while planning and implementing his own personal revolution against debts.

According to a survey commissioned by Family Credit Counseling Service of Rockford, Illinois, researchers are beginning to calculate precisely how much damage is being done. The survey – performed in November, 2005 by Impulse Research Corporation of Los Angeles – queried 1,590 consumers with credit-card debts. Nearly 25 percent had debts exceeding \$10,000. The survey had a margin of error of 2.5 percentage points. More than 75 percent of people with credit-card debt have experienced some type of physical symptoms that they attribute to the financial strain. Headaches, inability to concentrate and nausea were the most common symptoms. Furthermore, nearly 35 percent of debtors reported trouble concentrating at work, and 17 percent acknowledged spending time at work dealing with financial troubles. Some credit-repair clients even threaten suicide.

The Solution:

Job loss, low salary, life-events – whatever the cause, economic upheaval is impacting many, even within our own legal community. Although digging out of debt can be an insurmountable task; it is not impossible. The solution begins with an attitude adjustment and a declaration of personal revolution against fear and procrastination.

If a revolution is defined as transformations that undertaken in small steps resulting in dramatic change; then real personal change requires a plan, along with persistence, focus, commitment and vision. By dealing with financial problems head-on, your standing with creditors will improve while you relieve the stress of worrying.

Tips For Working Through The Stress:

Remember the way that you cope with financial stress is as important as how you deal with the payment of creditors. In other words:

Take responsibility. You are responsible for your own thoughts, actions, feelings, decisions and their consequences. Unless you take responsibility, you will not strive to change what can be changed. Rather, you will remain in a cycle of blaming other people or life-events for the way you think and feel. You are not a victim.

Acceptance. Accept that you cannot control every situation and learn to be flexible in your thinking. We all have needs (even lawyers) and when these become too demanding we can burnout.

Manage worry. When it comes to managing worry, the famous Serenity Prayer gets it right: “Accept the things you cannot change, the courage to change the things you can, and the wisdom to know the difference.”

Don't wallow. Rather than feeling sorry for yourself and focusing on what you don't have, focus on what you do.

Turn it over. Spirituality through prayer and/or meditation can soothe the mind and calm the soul.

Eat well. Eat a well-balanced diet and limit sugar.

Get sufficient rest. Rest is imperative to maintain health and stamina.

Move and muscle; change a mood. Try to incorporate moderate exercise into each day to boost your energy level and improve your mood.

Relax. Make time for relaxation. Listen to soothing and/or upbeat music, play with your pet; read a novel, watch a comedy and laugh, laugh, laugh!

Avoid tobacco, alcohol and drugs.

Ask for assistance. If you are having trouble coping on your own, help is available from many sources. This step can be often difficult especially for attorneys.

Tips For Working Through the Debts:

Get help. See what services are out there to assist you.

Prioritize. Decide what things constitute essentials and what are extra. This will allow you to budget for the important things such as health costs, mortgage/rent, utilities, food, and gas; while delaying or eliminating non-essential items.

Communicate and negotiate for yourself. Rather than dodging your collector's calls- negotiate a lower interest rate. Keep records of all communications.

Don't be afraid to downsize. Someone will do it eventually and it may as well be you. Your chattels may be worth cash.

Consider a part-time job. This allows for additional cash flow and there are many individuals working part-time jobs just to get out and meet people.

Use cash instead of credit. Research has found that people who pay with cash instead of plastic spend 12-18 percent less whenever they shop.

Bankruptcy may be the last solution; but do not represent yourself. Moreover, it is wise to check with your state's ethics and rules of professional conduct prior to filing same.

Our attorney James decided to get a handle on his situation. Furthermore, James learned also to take one day- as well as one thing –at a time. There may still be many changes that he has yet to face, but it is not beneficial to try to resolve all problems at once. Solving one problem at a time gives a sense of control over a situation.

For more information or if you, or someone you know, needs support and help call:
The Delaware Lawyers Assistance Program (De-LAP), 302-777-0124, 1-877-24DELAP,
or e-mail cwaldhauser@de-lap.org

References: