

Concern over money sits at or near the top of the list of things that stress out most Americans.

Whether making the mortgage payment, saving for a child's education or planning for retirement, many people feel worried about their financial fitness. Even in families with two incomes, there never seems to be enough money. Until recently, Americans have enjoyed the longest sustained period of economic growth in history, but now many employees are worried about downsizing and the security of their retirement investments.

The stress many people feel about their finances may not be just in their heads. A wide range of anecdotal evidence connects money and health. Along with injuries, some of the primary causes of lower back pain are fear, anger and worry over money. Chiropractors report a correlation between back pain and financial problems, perhaps as the result of increased muscle tension. Psychologists report that many people cite arguments over money as a major factor that led to their divorces. Talking with your spouse and making decisions together allows the whole family to contribute to a healthy financial picture while reducing the stress caused when spouses don't communicate.

It is natural to feel stress about money matters. A survey of more than 300 human resource directors found that 32 percent of managers consider personal financial problems the most pressing, overlooked workplace issue. With so many possibilities for spending and saving, having a budget and a clear savings and retirement strategy is a good way to reduce some of that stress.

Some companies try to help their employees with programs and seminars on managing money and debt, budgeting and retirement planning. Check if your employer offers such programs. If not, consider seeing a reputable financial planner. The cost of seeing a professional likely will pay for itself, not only in reduced stress but also in improved saving habits. Developing a plan and making regular contributions to your savings plan is the best way to assure financial security.

Don't put all of your eggs in one basket.

Company retirement-fund participants may not realize that a one-security fund offers no diversification and is a very high-risk investment. A diversified portfolio of many different investments is the best insurance against fluctuations in the value of one's company stock. Rather than worrying that your retirement nest egg is in just one basket, inquire about other possible choices for your retirement funds. If you are eligible, you also might want to consider opening an IRA separate from your company's stock-based retirement plan.

With a little knowledge, confidence and a commitment to take positive steps, you can significantly reduce the stress you feel about money matters.

Stressing over money won't help your situation and may even make it worse. There are many resources, such as books, financial professionals and your employee assistance program to help you make informed financial decisions and reduce your stress. Just as every journey begins with a single step, relieving your stress over money matters relies on following a well-developed plan.

For more information on this and other topics contact GuidanceResources or your HR department.

