

Coping as a Family During a Financial Crisis

Overview

Ways to pull together as a family during a financial crisis.

- How a financial crisis may affect families
- Finding resources and help
- When a relative moves in
- Pulling together as a family

When someone close to you is struggling to make ends meet, your entire family may be feeling the stress. You may be concerned about your older relatives who are living on a fixed income or a family member who is facing a job loss, or you may wonder how you will pay your own bills. Financial stress tends to ripple through a family, affecting everyone in it. During times like this it's important that all members of your family pull together to give one another the emotional support you need to get through difficult times.

How a financial crisis may affect families

People of different ages may have different concerns about the financial crisis. Children may worry that they won't have enough food to eat or that you'll lose your home. Teenagers might be concerned about affording college or how they'll support themselves when they're grown up. Older relatives might be anxious about paying for medications and everyday living expenses. Just as you and your family might have different worries, you may have different ways of reacting to your concerns. Learn to recognize the signs of stress in yourself and in those close to you so you can help one another manage your feelings.

- *Young children* may react to anxiety by becoming withdrawn or clingy. They may cry more easily or return to behaviours they had outgrown, such as wetting the bed or sucking their thumbs. They may have nightmares and seem fearful or complain of headaches or stomach aches.
- *Older children* may complain of stomach aches or headaches, have difficulty sleeping, have nightmares, eat more than usual, or seem to lose their appetite. They may become clingy, cry more easily, and have emotional outbursts.
- *Adults* may have headaches, stomach aches, muscle aches, or other physical symptoms. They may have trouble falling asleep or staying asleep, or they may sleep more than usual. Their eating habits may change. Other signs to look out for are alcohol or drug abuse, irritability, anger, and trouble concentrating.

Your child's reactions will depend largely on her age and your own behaviour as you address the issues. If you can avoid unhealthy reactions to your own concerns, your child may be better able to cope with the family's financial stresses. You can help by focusing on your child's emotional needs instead of feeling that you have to continue to buy him everything he's had in the past. Studies have also found that in a financial

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crisis, children often don't mind having less spending money of their own. They're more concerned about their emotional well-being and that of the family as a whole.

Finding resources and help

Many people find it difficult to ask for help. But reaching out is important during times of crisis. Resources you and your family can turn to include:

- *Community agencies.* Local non-profit organizations, churches, and other houses of worship may offer cash assistance for rent and mortgage payments, food, and fuel assistance. Contact the local United Way, community action agency, or groups affiliated with faith communities.
- *Your local utility.* Your utility provider's billing office or your provincial utility commission may offer energy assistance. It can also put you in touch with the federal energy assistance programs. For more information on federal programs, go to www.fin.gc.ca/access/energyrelief_e.html. Access your local provincial government for more information on provincial aid
- *Financial counselling or credit counselling agencies.* These agencies, which are usually non-profit, provide personalized counselling to consumers who need to pay off unsecured consumer debt, such as credit card and utility bills. For a credit counselling agency near you, go to www.creditcounsellingcanada.ca
- *Your landlord or mortgage lender.* Contact your landlord or mortgage lender if you're having trouble making your monthly payments. Your landlord or lender may be willing to negotiate a lower monthly payment or may be willing to defer a payment until you get back on your feet.
- *Your healthcare provider.* If you're having trouble managing your stress, your healthcare provider may refer you to a counsellor or other professional.
- *School-based supports.* If you feel your child needs additional emotional support, you can contact your child's school counsellor or school psychologist.
- *The program that provided this publication.* A range of help is available, including:
 - Assistance finding fuel or utility assistance programs in your area
 - Information on steps to take if you are behind in your mortgage
 - Information on what to do if you are facing foreclosure
 - Information on working with creditors when you are behind in your bills
 - Help with managing stress

When a relative moves in

You and your extended family may decide to pool your resources to share expenses. This may be a good solution for everyone, but be aware that moving in with family may bring up complex emotions. An adult child who moves in with his or her parents may feel that he failed to "make it" on his own while the parents may have a difficult

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time readjusting to sharing their home. An older relative may regret the loss of independence while children may resent having to share their room, toys, or other possessions. You can make it easier for everyone by being open about what the change means for everyone and discussing how you will make it work.

- *Discuss how much everyone will contribute to living expenses.* In addition to rent and utility costs, talk about how you will divide the cost of food and other shared household items. Will you divide costs evenly? Pay a percentage or an amount based on each person's income? You might want to put your agreement in writing to make sure there are no misunderstandings.
- *Decide how you'll make sure the bills are paid each month.* Some families create a household account to which everyone contributes, and designates one person to manage the account and write the cheques. Others prefer to go over the bills together each month with everyone contributing separate cheques. It's not important how you pay the bills as long as they get paid each month and everyone is comfortable with the arrangement.
- *Talk to children about what they can expect.* Use language appropriate to their ages so it will be easier to explain and have them understand the new living arrangements. Talk about what they will need to share and what they won't.
- *Coordinate your work and school schedules.* Will you need to draw up a bathroom schedule to make sure people get out of the house in time? If family members work different shifts, how will you make sure everyone gets the sleep they need?
- *Discuss how you will share the chores and responsibilities in the home.*
- *Be clear about rules regarding guests.* Talk about whether overnight guests will be allowed.
- *Discuss personal boundaries.* Be sure everyone is aware of and will respect one another's personal boundaries, such as possessions that are "off limits," knocking before entering a room, and whether there are times of day -- such as morning or late at night -- when any household member prefers quiet.
- *Be sure everyone is aware of the need to keep the household safe for young children.* Adults and older children should know to lock up cleaning supplies or put them out of reach. Remove fragile or valuable items that might be broken or injure a child. Keep electrical sockets covered with plastic plugs, and gate off stairways and rooms that are off-limits to very young children.
- *Respect the needs of young children or older adults.* That may mean respecting the need for quiet after bedtime.
- *Discuss the need to make the home accessible for an older or disabled family member.* For example, if you'll be sharing a home with someone who has trouble

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climbing stairs, you might want to designate a room on the ground floor to be that person's living space.

- *Find appropriate community services for family members who will be moving in with you.* You can help make the transition easier for everyone by helping connect your family members with the services they may need, including health care providers, social services, schools, agencies on aging, and more.

Check in from time to time with one another to see how well the arrangement is working. Setting up a regular "family meeting" time may help ensure that things run smoothly. Discuss problems as they occur so you can all take quick action to resolve them. Also, be aware that your living situation may change, particularly if someone finds a new job or is able to save enough money to move back into his or her own home. Discuss what these changes may mean for everyone.

Pulling together as a family

It's common for family members to pull away from each other when they're under stress. But it's more important than ever for you to come together at this time.

Supporting one another and agreeing to spending priorities will help you all weather the situation emotionally and financially.

- *Set expectations.* Talk openly about your financial circumstances and what it means for your family. Children tend to focus on their own needs and will want to know how any changes will affect them. You may have to buy clothing at a thrift store or cancel services or subscriptions. Let children know in language they can understand what steps you are taking to manage the situation and ask them to suggest ways to cut back. Help them feel secure by emphasizing what won't change, such as the fact that you and the other adults in their lives will always be there for them.
- *Communicate openly.* Encourage family members to talk about their concerns. You may not be able to offer immediate solutions, but knowing what's on each other's minds will allow you to talk about other ways you might meet your family's needs and help one another cope with your feelings. For example, if your child tells you he's embarrassed to wear last year's winter coat to school, you might help him by finding an acceptable hand-me-down or help him think of appropriate ways to respond to hurtful comments, such as ignoring them or using humour to redirect the person who is being unkind.
- *Put your situation in perspective.* Try to focus on everything that you do have, including each other.
- *Find ways to relax and have fun as a family.* There are plenty of ways to enjoy one another's company that don't require spending a lot of money. Play board games, enjoy the outdoors together, read books, and borrow movies from the library. Involve children in finding ways to have fun without spending a lot of money. Having great

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times together as a family will remind all of you why you love each other and will make it easier to deal with the strains.

- *Take care of yourselves.* Try to be patient with one another, eat nutritious food, get enough sleep, and find ways to fit physical activity into your lives every day. Taking care of yourselves will give you the energy you need to support one another.

Pulling together as a family will help you cope with difficult financial times and remind you that none of you have to go through a crisis alone.

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