

#1

Determining Your Net Worth

Your *net worth statement* is simply a listing of all that you *own* and all that you *owe*. The difference between the two is your *net worth*. Your net worth is like a financial report card and reveals a lot about you. One glance at a net worth statement and you have a pretty good idea whether a person has made a lot of financial mistakes, has had terrible misfortune, has been a fantastic money manager, or has been just darn lucky.



TIP

Figure out your net worth now using the following table and update it each and every year, shortly after year-end, because that's when you receive the previous year's year-end statements on your mortgage, retirement accounts, pension, investments, bank accounts, and a slew of tax-related documents. That's an excellent time to update your net worth statement.



REMEMBER

Don't beat yourself up over your current financial situation. It does no good; in fact, it's actually very harmful. You may not like what you see on your net worth statement, but consider this step the beginning of your quest for financial freedom. The only things that matter are the decisions you make in the present and the future. You can't change the past, but you can learn from your successes and failures. Focus on what you can gain from the

exercise in the following table and then use that knowledge to help stay on track going forward.

Assets	Value	Liabilities	Balance
Cash Accounts	\$ _____	Home Mortgage	\$ _____
Checking	\$ _____		
Savings	\$ _____		
Money Market	\$ _____		
Cash on Hand	\$ _____		
Personal Use Assets	\$ _____	Home Equity Loan/ Line of Credit	\$ _____
Residence	\$ _____	Auto Loans	\$ _____
Personal Property	\$ _____		
Auto(s)	\$ _____		
Boat(s)	\$ _____		
Vacation Home	\$ _____		
Other	\$ _____		
Investment Assets	\$ _____	Investment Loans	\$ _____
Brokerage Accounts	\$ _____	Margin Account	\$ _____
Mutual Funds	\$ _____	Loans against 401(k), 403(b)	\$ _____
IRAs	\$ _____		
401(k), 403(b)	\$ _____		
Other retirement plans	\$ _____		
Cash Value of Life Insurance Policies	\$ _____	Loans against Life Insurance	\$ _____

Assets	Value	Liabilities	Balance
Loans / Accounts Receivable	\$ _____	Loans / Accounts Payable	\$ _____
Deferred Compensation	\$ _____	Salary Advances	\$ _____
Total Assets	\$ _____	Total Liabilities	\$ _____
		Total Assets Minus Total Liabilities = Net Worth	\$ _____

#2

Calculating Spendable Income

So you make \$20,000, \$40,000, or even \$120,000 per year. Don't be lured into the common misunderstanding that you have \$20,000, \$40,000, or \$120,000 per year to spend any way that you want. After you pay income, Social Security, and Medicare taxes on your gross earnings, your earnings likely decrease by a third or more. Then you need to account for the costs related to earning these wages, such as commuting, dry cleaning, and childcare, just to name a few. You may also eat out more often and take a vacation periodically or treat yourself to regular massage therapy to decompress from the stresses of your job. These are job-related costs, even if they're not deductible as such on your tax return. You wouldn't have these expenses if you didn't have the job.

What you have left after you take out all your must-pays (like taxes) is your *net, net income*, or *spendable income*. To figure out your net income, gather the last month's worth of paycheck stubs and complete the following table with information you take directly from your paycheck stubs.



REMEMBER

Some deductions occur monthly rather than per pay period, so two to four consecutive paychecks should reveal all deductions. For example, if you receive two paychecks per month but your medical insurance deduction is only taken out of the first paycheck of each month, divide this amount by 2 when completing the worksheet.



TIP

The next time you consider making a purchase and you tell yourself, “Ah, it’s only 20 bucks,” calculate how long you’d have to work to net \$20. For example, netting \$20 takes nearly three hours of work for some people. Stop and ask yourself whether the purchase is worth three hours of your work life and energy.

1. Gross Income Per Pay Period	\$ _____
Minus:	
Taxes	
Federal	\$ _____
State	\$ _____
Local/City	\$ _____
Social Security (FICA)	\$ _____
Medicare	\$ _____
2. Total Taxes Withheld	\$ _____
Automatic Payroll Deductions	
Medical Insurance	\$ _____
Life Insurance	\$ _____
Disability Insurance	\$ _____
Dental Insurance	\$ _____
Charitable Contributions	\$ _____
Retirement Plan 401(k), 403(b), and so on	\$ _____
Retirement Plan Loan Repayment	\$ _____
Deferred Compensation Plan	\$ _____
Employee Stock Purchase Plan	\$ _____

Flexible Spending Acct FSA (Section 125)	\$ _____
U.S. Savings Bonds	\$ _____
Other Automatic Drafts for Investments	\$ _____
Other Automatic Drafts for Expenses	\$ _____
3. Total Payroll Deductions (Excluding Taxes)	\$ _____
4. Net Income Per Pay Period (Line 1 – [Line 2 + Line 3])	\$ _____
5. How Many Times Are You Paid Per Year?	\$ _____
a. Weekly = 52	
b. Every Other Week = 26	
c. Twice a Month = 24	
d. Monthly = 12	
6. Multiply Line 4 times Line 5 for Annual Net Income	\$ _____
7. List Traditional Job-Related Expenses (Annual)	
Expense	Annual Cost
Commuting Costs	\$ _____
Clothing and Clothing Maintenance	\$ _____
Child Care	\$ _____
Unreimbursed Business Expenses	\$ _____
8. List Nontraditional Job-Related Expenses (Annual)	
You may incur these expenses due to the stress of your job, long hours, or working conditions. Examples include dining out frequently because you're working long hours, going out for lunch instead of preparing them at home, treating yourself to much-needed massage therapy or vacations to help decompress from the stresses of your job, and so on.	

Expense	Annual Cost
_____	\$ _____
_____	\$ _____
_____	\$ _____
_____	\$ _____
_____	\$ _____
_____	\$ _____
_____	\$ _____
_____	\$ _____
_____	\$ _____
_____	\$ _____
_____	\$ _____
_____	\$ _____
9. Total Annual Expenses on Lines 7 and 8	\$ _____
10. Subtract Line 9 from Line 6 for Annual Spendable Income	\$ _____
11. Divide Line 10 by Number of Hours Worked Per Year (Traditional Full-Time Work Equals 2,000 Hours)	
Equals Your Net Hourly Spendable Income	\$ _____

#3

Calculating Required Expenses

Your required expenses, or *needs*, must come first. To figure out what your required expenses are, fill out the following table by entering the total amount you're personally responsible for or the total for the household, whichever is easier. (Sorry, your needs don't include cellphones, cable or satellite TV, streaming TV services, or high-speed Internet, unless they're required for employment. These aren't necessary to sustain life, and therefore, you must classify them as wants.)

Shelter:	
Mortgage or rent	\$ _____
Home maintenance	\$ _____
Utilities:	
Electric	\$ _____
Gas	\$ _____
Water, sewer, and trash pickup	\$ _____
Basic phone service	\$ _____

Protection: Include the things you can't afford to be without.	
Life insurance	\$ _____
Disability insurance	\$ _____
Homeowner's or renter's insurance	\$ _____
Health insurance	\$ _____
Auto insurance	\$ _____
Healthcare/medical and dental care	\$ _____
Prescription drugs	\$ _____
Childcare	\$ _____
Rainy-day fund (minimum of 10 percent of gross income)	\$ _____
Food: This category doesn't include dining out.	
Groceries (basic essentials only)	\$ _____
Clothing and Clothing Maintenance: Presuming that you have some clothes now, ask yourself what else you really need.	\$ _____
Basic Hygiene:	
Personal: toothbrush, deodorant, soap (for example)	\$ _____
Household: laundry detergent, toilet paper, and so on	\$ _____
Transportation: Only list required expenses. List any additional transportation costs in the <i>wants</i> category.	
Automobile loan or lease payments	\$ _____
Auto maintenance	\$ _____
Gasoline	\$ _____
Other: tolls, parking, public transportation	\$ _____

Legal Requirements:	
Real estate and property taxes	\$ _____
Child support	\$ _____
Alimony	\$ _____
Required Debt Payments Not Listed Elsewhere:	
School loans	\$ _____
Personal loans	\$ _____
Credit cards	\$ _____
Other debt	\$ _____
Total Required Monthly Expenses (Needs)	\$ _____
After-Tax Income Note: If you include all expenses for the household, add the after-tax income of both spouses/partners.	\$ _____
Surplus or Shortfall (After-Tax Income – Total Needs)	\$ _____

So where do you go after figuring out what you're spending on needs? If you have a surplus after meeting your required living expenses, check out Tip #4, which covers using your excess money for wants. However, if your income comes up short (negative or close) after figuring out your needs, check out the nearby sidebar.



TIP

If you don't already do so, set up automatic monthly withdrawals from your paycheck or your checking account to pay for or fund each of the required expenditures from the preceding table (just make sure you keep track if the values fluctuate). That way, you meet your requirements automatically each and every month, and whatever's left over is yours to spend on your most important wants.

#4

Calculating Discretionary Spending

Hopefully you find yourself with some extra money after determining and paying for your needs (see Tip #3, “Calculating Required Expenses”), and you can begin to use some of that money for the items or services you want most. Use the following table to list your desired expenditures and to figure out how much you can justify spending on them.



REMEMBER

When determining what to do with your surplus, just remember not to exceed that amount when prioritizing your wants.

Shelter:	
Home renovations or remodeling	\$ _____
Home furnishings	\$ _____
Utilities:	
Cellphone(s)	\$ _____
Streaming TV services	\$ _____
Cable or satellite TV	\$ _____
Internet	\$ _____

Shelter:	
Additional Savings:	
Children's college	\$ _____
Retirement (minimum of 10 percent of gross income)	\$ _____
Vehicle replacement fund	\$ _____
Other financial goals	\$ _____
Food:	
Groceries (beyond basic essentials)	\$ _____
Dining out	\$ _____
Meals purchased at school or work	\$ _____
Snacks and drinks purchased at school or work	\$ _____
Clothing and Clothing Maintenance (beyond basic essentials):	\$ _____
Personal:	
Haircuts, perms, manicures, massages	\$ _____
Gifts: birthday, anniversary, wedding, holiday	\$ _____
Charitable donations	\$ _____
Entertainment:	
Health club or other club membership(s)	\$ _____
Movies, plays, concerts	\$ _____
Vacations	\$ _____
Summer camp, sports, lessons, hobbies	\$ _____
Books and print subscriptions	\$ _____
Parties: holiday, birthday, social	\$ _____
Household:	
Home maintenance: lawn care, exterminators, painters	\$ _____

Shelter:	
Domestic help: housecleaning, baby sitters, pet sitters	\$ _____
Transportation (beyond basic essentials included in needs):	
Automobile loan or lease payments	\$ _____
Vehicles and related expenses for children	\$ _____
Auto maintenance	\$ _____
Gasoline	\$ _____
Other: tolls, parking, public transportation	\$ _____
Other:	
_____	\$ _____
_____	\$ _____
_____	\$ _____
_____	\$ _____
Total Desired Additional Monthly Expenses (Wants)	\$ _____
After-Tax Income	\$ _____
Surplus or Shortfall (After-Tax Income – [Total Needs + Total Wants])	\$ _____



REMEMBER

After you add all your needs from Tip #3 together with your wants from the preceding table, you'll likely discover that you have little or no surplus cash flow. If you have negative cash flow, you should revisit the preceding table and prioritize and/or reduce your expenditures so you don't plan to spend more than you bring in.

#5

Tracking Expenses

Tracking your cash flow is especially useful when your out-flow exceeds your income. Fortunately, you don't need to go back and tally up months' worth of checking account register entries, credit- and debit-card statement amounts, and cash withdrawals. This is a very time-consuming and painful exercise, and it doesn't yield the desired results. What has happened in the past is behind you; all you can and should focus on is the present and the future.



TIP

Monitor your spending for the next couple of months. The hassle of tracking all expenditures is a deterrent to spending money unnecessarily. This activity helps raise your consciousness about each expenditure, which helps your budgeting immensely. The Weight Watchers organization has a very effective mantra: "If you bite it, you write it!" The same concept applies to expenses, and it works!

If you're looking for a simpler method of tracking your expenses, carry a pocket notebook to track every cent of your surplus money or use the Notes app (or an app devoted to tracking expenses) on your smartphone. Record every occasion you spend your surplus money, whether you purchase a drink at work, buy gasoline on the way home, or go to the movies. Account for every cent. Also, track whether you paid by cash, check, or debit or credit card; who you paid; and whether the expenditure falls into the need or want category.

Use one log for each pay period or month, whichever works best for you. Note at the top of the worksheet (or in the Note) how much your beginning surplus is and subtract each expenditure from that amount.



REMEMBER

By keeping your eye on the magic number (your surplus cash flow after meeting your required expenses), you can simply spend your money any way that best meets your priorities (your wants) so long as you don't exceed the magic number. No more detailed budget keeping is required.

#6

Setting Spending Practices

Sometime throughout your life, you may have had someone encourage you to “dream big” or “reach for the stars.” But have you ever taken the time to really examine what your visions or dreams are and how you can actually turn your aspirations into reality? Well, now’s your chance to do more than just daydream about that island vacation, about starting your own business, or about funding your child’s college education. The time has come to turn your dreams into realities.

This section is designed to help you convert the dreams that matter most to you into measurable goals. After you can measure your goals, you can manage them, take action, and achieve them.



REMEMBER

Financial planning involves channeling your resources — all of them — to best accomplish *what matters most* in your life. You need to consider not only your financial assets and liabilities but also your personal assets and liabilities, dreams, goals, and fears. Financial instruments (investments, insurance, retirement plans, savings, and so on) are just tools that you utilize along your financial journey through life. However, first things first: What matters most in your life?

Delve into Your Dreams

No matter what you want to call it — brainstorming or brain dumping — it's time to dream big without holding back and to get those dreams written in stone. (Paper or a Note on your smart-phone will have to do for now.) Think of all the things you want to do and see and who you want to become. Then list the dreams that are most important to you at this time.

Write down the following column headings: What?, When?, What's Required?, What Are You Willing to Do?, and Revised Priority. Then follow these steps:

1. In the What? column, quickly list the first 30 goals that come to mind when responding to the question, "What 30 things would you most like to do, see, accomplish, or experience in your life?"

Dig deep and list 30 goals — no more, no less. The first 5 or 10 may come to you easily. However, if you get stuck, consider all the possibilities, including:

- What do you want to do? (activities/hobbies/interests, home improvements, assist aging parents)
- What or who do you want to see? (travel, cultural events, family, friends)
- Who do you want to be? (personal or career development, community involvement, activism, philanthropy)
- What experiences do you want to have? (spend more quality time with family, vacation with spouse, continue your education, provide a legacy for your children or favorite cause)

2. Review your list of goals and rank them by their priority.

Indicate in the left column how important achieving each item is to you by selecting from the following Priority list:

A = Must achieve (no choice or would cause regret)

B = Would love to achieve (but will live if you don't)

C = Would really be nice to achieve, but not at the cost of A or B goals

3. Indicate in the When? column approximately when you want to, or when you must, achieve each of your stated goals.

Be as specific as possible. If an actual date or deadline is involved, use that date. If you have no deadline, provide yourself with as much guidance as possible.

4. In the What's Required? column, try to list the resources you need to accomplish the stated goal.

Do you need time, energy, labor, money, or help? Be as specific as possible. Say, for example, that you want to remodel your kitchen this year. You may need to do some research and gather specific details regarding exactly what's involved in your remodeling project. Consider these questions:

- How much of the work can you complete yourself, compared to how much of the work licensed professionals must perform?
- Do you have friends or family members who are willing, able, and available to assist you, and if so, will compensation be appropriate or necessary?
- How much time and energy do you anticipate needing to invest personally?
- How much will purchasing the materials and supplies cost?
- How much will the licensed professionals cost?
- Do you need to finance any or all of these costs?
- What are your options for paying for this project?

5. In the What Are You Willing to Do? column, write what you're willing to do to achieve this goal.

The achievement of goals often involves much more than just money. Some goals may be so important to you that you're willing to forgo or postpone many of your other dreams to ensure that you achieve your most important goals. You must make the call.

To help you determine how you plan to allocate your time, energy, and money to accomplish your goals, ask the following questions:

- What are you willing to sacrifice to achieve specific goals?
- Is achieving a certain goal so important that you're willing and able to earn more money if that's what's needed?

- Can you adjust the desired time frame for achieving this goal?
- Are you willing and able to sell something to raise the money needed to achieve the goal?
- Are you willing and able to do more of the work yourself to reduce your out-of-pocket costs?
- Are you willing and able to dedicate the time and energy necessary to achieve this goal?
- Do your spouse/partner and family support your efforts for the goals in which they're involved?

6. For now, leave the Revised Priority column blank; you can fill it in after going through the exercises in the next section.



TIP

If you're in a relationship, have your spouse or partner complete the exercise, too. They should complete the list separately. After Step 5 is completed, compare your list with your partner's and then move on to Step 6. It's amazing just how much you can discover about yourself and your significant other when you really dig deep into your life goals. Plus, you want to make sure that you're both fully aware of each other's priorities.

It's unlikely that you'll come up with most of the same goals, and that's okay. You're an individual, and you may also be part of a couple. You have individual goals, and you also have goals you want to achieve with your partner. And your goals and priorities will be different — frequently. There's nothing wrong with differences. The only thing that can go wrong is not exploring what matters most to you and sharing that with your partner.

Determine Which Dreams Matter Most

So you may know what your dreams are, but do you know which ones are most important to you? How do you know which ones to focus on as you begin to shape your goals? (See the next section for more on establishing goals.) In this section, approach the same subject — your visions or dreams — from a markedly different perspective.

Work through the following questions. (If you haven't created your wish list, you may find it easier to do the exercise in the preceding section first.) Be sure to invest thoughtful time and energy as you ponder the questions. If you really devote yourself to this task, you may begin to develop a realization and level of clarity about your dreams that you may not have had before. You may discover that some things no longer have the importance they once had, while other ambitions have now become most important in your life.



TIP

You can also have your spouse or partner answer these questions on their own and then compare notes. What you discover may raise your level of commitment and motivation to achieve certain dreams tremendously, and you're more likely to pursue and achieve the dreams to which you're most committed.

After you answer the preceding questions, go back to the exercise in the previous section and revisit the Revised Priority column with the three questions in mind. You may want to revise your priority ranking at this stage. Use the Revised Priority field to record any changes.

Develop an Action Plan

After you figure out your wish list and prioritize what matters most, you can then create and structure an action plan for these dreams to become goals. And with that action plan, your goals can become realities.

Each goal must be measurable and must be a top priority, something you have the desire and capacity to achieve. First, review your revised priority rankings in the exercise in the earlier section "Delve into Your Dream" and list your top priorities in order of importance. Note each goal's what and when. Then, sort your priorities by time period and action items involved. Don't worry if you don't know some of the "Hows" at this time. The rest of this book can help you address those.

#7

Creating a Budget

Does the word *budget* send chills up your spine? It shouldn't. Budgets allow you to be organized and have some control over what you spend. They help you decide how to spend your money, plan for your future, pay off existing debt, and save a few pennies each month by reducing wasteful and impulsive purchases.

Step 1: Categorize Your Expenses

When you begin setting up a monthly budget, start with big categories before breaking your budget down into smaller expense categories. A good list of basic budget categories to begin with includes the following:

- » **Housing:** Mortgage/rent, repairs, property taxes, cleaning supplies, homeowner's/renter's insurance, utilities, furnishings, decor
- » **Food:** Groceries, meals out, food delivery, snacks and beverages at work
- » **Transportation:** Car payments, insurance, gas, oil changes, parking, repairs and maintenance, public transportation fees

- » **Medical:** Insurance, out-of-pocket expenses such as deductibles and non-insurance covered medical services, pharmacy, eye care, dental
- » **Clothing:** New purchases, dry cleaning, repair
- » **Personal:** Cosmetics, haircuts, cleansers
- » **Insurance:** Life insurance and any other insurance not covered under home, transportation, or medical expenses
- » **Education:** Tuition, dues/fees, school pictures, yearbooks, school supplies, books
- » **Credit accounts:** Major credit cards, department store cards, lines of credit through your bank or other lender, any other outstanding debt
- » **Gifts:** Holidays, birthdays, graduations, weddings, showers
- » **Recreation:** Vacations, movies, books, magazines, TV (cable, satellite, and/or streaming services), restaurants, sporting events, sports equipment
- » **Savings:** Long-term and short-term goals, as well as retirement
- » **Taxes:** Property and excise tax, for example
- » **Donations:** Charities, religious groups, and so on



REMEMBER

Be sure to set aside money each month for those yearly and quarterly payments that often sneak up on you when you least expect them. If you spend \$1,200 on your yearly property taxes (and that payment isn't included in your mortgage payment), divide that number by 12 and set aside \$100 per month so you aren't caught off guard by your property taxes, insurance payments, or any other periodic bills.

Within each general budget category, some items are essential (the mortgage or rent payment, electric bill, and groceries); others are extra (new furniture, gifts, and food delivery). From your first list of general budget items, develop two separate budget lists, one for essentials and the other for extras. Then look through these lists to find flexible budget expenses where you can cut back by using the tips and advice throughout this book. Put a star next to these flexible items so you can identify them.

Step 2: Estimate What You Spend

Go through your checking account and any other receipts or records (paper and/or online) you've kept over the past few months so you can track how much you actually spend on essentials. Then for one month, keep a detailed diary of all your extra purchases, even for cheap things like coffee at your favorite café or snacks from the vending machine at work. Little expenses quickly add up to big money when they're made on a daily basis. These smaller, out-of-pocket purchases are frequently made with cash, so they usually don't show up in your check register; writing them down makes you aware of where the cash is dribbling out of your life.

Step 3: Calculate and Adjust

Are your spending habits keeping you in the red? To find out, add up the essentials list and the extras list separately. Subtract the essentials total from your monthly income. If you have money left over, subtract the extras total from that amount. If you still have money left over, great! Look into a savings or investing plan (talk to your bank or a certified financial planner for help setting up a plan).

If your extras list takes you into negative numbers, start looking for places to cut back (for example, eat out once a month instead of once a week). You can also trim from the extras list to put more money toward debt repayment if that's a high priority in your financial picture.

#8

Breathing Away Tension

As the economy heads south and you tighten your budget to keep spending under control, stress and tension creep into your life. You can't control the economy, but that's okay — truly living well is about far more than money. On the other hand, no matter how good things get, stress always leeches the fun out of the good life.

Breathing properly is one of the simplest and best ways to drain your tension and relieve your stress. Simply by changing your breathing patterns, you can rapidly induce a state of greater relaxation. If you control the way you breathe, you have a powerful tool in reducing bodily tension and increasing your joie de vivre.

Change the Way You Breathe

Altering the way you breathe can change the way you feel. Here's one of the best and simplest ways of introducing yourself to stress-relieving breathing:

- 1. Either lying or sitting comfortably, put one hand on your belly and the other hand on your chest.**
- 2. Inhale through your nose, making sure that the hand on your belly rises and the hand on your chest moves hardly at all.**

- 3. As you inhale slowly, count silently to three.**
- 4. As you exhale through your parted lips slowly, count silently to four, feeling the hand on your belly falling gently.**

Pause slightly before your next breath. Continue to breathe like this until you feel completely relaxed.

Breathe through an Emergency

Breathing properly is no big deal when you're lying on your bed or vegging out in front of the TV. But what's your breathing like when you're caught in gridlock, when you're facing down a deadline, or when the stock market drops 20 percent? You're now in a crisis mode. You need another form of breathing. Here's what to do:

- 1. Inhale slowly through your nostrils, taking in a very deep diaphragmatic breath, filling your lungs and filling your cheeks.**
- 2. Hold that breath for about six seconds.**
- 3. Exhale slowly through your slightly parted lips, releasing all the air in your lungs.**

Pause at the end of this exhalation. Now take a few "normal" breaths.

Repeat Steps 1 through 3 two or three times and then return to what you were doing. This form of deep breathing should put you in a more relaxed state.

#9

Tensing Your Way to Relaxation

The uncertainty of a faltering economy can tie anyone in knots, despite even the best of efforts to keep things in perspective, set priorities, and take control. Fortunately, one of the better relaxation techniques actually uses tense muscles to your benefit. It derives from a method called *progressive relaxation*, or deep muscle relaxation.

This method is based on the notion that you aren't aware of what your muscles feel like when they're tensed. By purposely tensing your muscles, you're able to recognize what tension feels like and identify which muscles are creating that tension. This technique is highly effective and has been proven to be a valuable tool for quickly reducing muscle tension and promoting relaxation.

Relax Your Body, Part by Part

When you have 10 to 15 minutes, follow these steps for progressive relaxation:

- 1. Lie down or sit, as comfortably as you can, and close your eyes.**

Find a quiet, dimly lit place that gives you some privacy, at least for a while.

- 2. Tense the muscles of a particular body part.**

To practice, start by tensing your right hand and arm. Begin by simply making a fist. As you clench your fist, notice the tension and strain in your hand and forearm. Without releasing that tension, bend your right arm and flex your bicep, making a muscle the way you might to impress the kids in the schoolyard.



REMEMBER

Don't overdo it and strain yourself in any of these muscle-tensing maneuvers. When you tense a muscle group, don't tense as hard as you can. Tense to about 75 percent of what you can do. If you feel pain or soreness, ease up on the tension, and if you still hurt, defer your practice until another time.

- 3. Hold the tension in the body part for about seven seconds.**
- 4. Release the tension quickly, letting the muscles go limp.**
- 5. Repeat Steps 1 through 4, using the same muscle group.**
- 6. Move to another muscle group.**

Simply repeat Steps 1 through 4, substituting a different muscle group each time. Continue with your left hand and arm and then work your way through the major muscle groups: face, head, neck, shoulders, back, legs, feet, buttocks, and stomach.

Use the Quickie Method

When pressed for time, you can use a quickie version of the progressive relaxation exercise explained in the preceding section. This technique compresses all the muscle tensing and relaxing sequences into one. Think of it as one gigantic scrunch.

In order to do this, you have to master the gradual version first. The success of this rapid form of relaxation depends on your ability to create and release muscle tension quickly, skills you master by slowly working through all the muscle groups individually.

To start, sit or lie comfortably in a room that is quiet and relatively free of distractions. Now, tense all of the muscle groups listed here, simultaneously:

- » Clench both fists, bend both arms, and tense your biceps.
- » Lift both legs until you notice a moderate degree of tension and discomfort.
- » Tense the muscles in your buttocks and hold that tension.
- » Scrunch up your face, closing your eyes, frowning your brow, clenching your jaws, and pursing your lips.
- » Bring your shoulders as close as you can to your ears.
- » Tense your stomach muscles.

Hold this “total scrunch” for about five seconds and then release, letting go of any and all tension. Allow your legs to fall to the floor or bed and let your arms fall to your sides. Allow the rest of your body to return to a relaxed position. Repeat this sequence at various points throughout your day.

#10

Stretching Away Your Stress

Stretching is one of the ways your body naturally discharges excess bodily tension. You may notice that you automatically feel the need to stretch after waking up in the morning or just before retiring at night. But a good stretch can drain away much of your body's tension at other times, too. You may be desk-bound or otherwise required to sit for long periods of time during the day, causing your muscles to tense and tighten. Consider adopting one or more basic stretches and taking a stretch break at various points throughout the day. Cats do, dogs do, why not you?

Following are two tension-relieving stretches that are wonderful ways of draining a lot of excess tension. They're simple and shouldn't evoke much comment or ridicule from friends or coworkers:

» **The Twist:** This stretch is great for your upper body. Sitting or standing, put both your hands behind the back of your head, locking your fingers together. Move your elbows toward each other until you feel some moderate tension. Now twist your body slightly, first to the right for a few seconds and then slowly to the left. When you finish, let your arms fall to your sides.

» **The Leg Lift:** This stretch is good for your lower body. Sitting in your chair, raise both your legs until you feel a comfortable level of tightness in them. Maintaining that tension, flex and point your toes toward your head. Hold that tension for about ten seconds and then let your legs fall to the floor. If doing this with both legs together is a wee bit uncomfortable, try it one leg at a time.



REMEMBER

Stretch slowly and don't overdo it. You're trying to relax your muscles, not punish them.

#11

Practicing Habits of Effective Stress Managers

The following qualities are important skills and behaviors for reducing stress and creating stress resilience. How many of these describe you? If you can't check off all (or any!) of the items, don't worry — you can change old habits and learn new ones:

Managing your stress isn't a magical process. It's about mastering new behaviors and finding new ways of looking at yourself and your world.

» **Know how to relax.** You need to know how to let go of tension, relax your body, and quiet your mind. There is no one right way to relax. For some people, meditation, focused breathing, and imagery may be the favored path. Others may prefer a more active approach, with techniques such as progressive muscle relaxation.

Attaining a state of greater relaxation need not be limited to formal approaches. Any activity that distracts you from the stressors of your world can be relaxing. It can take the form of a hot bath, a stroll in the park, a cup of coffee



REMEMBER

(decaffeinated), or a good book or favorite TV program. All can provide a relaxing escape from stress.

- » **Eat right and exercise often.** The foods you eat can play an important role in controlling your stress levels — or making them worse. When you're under stress, you tend to be far less vigilant about what goes into your mouth. You should be eating foods that reduce your stress. Unfortunately, you're probably craving foods that aren't on anybody's list of healthy choices — sugary foods, fatty foods, and salty foods (not to mention caffeine and alcohol). And even if you manage to eat healthy foods, chances are, if you're under stress you'll overeat or, at times, undereat.

Eating the wrong foods can affect how well you deal with stress. Your body needs a balanced, healthy diet to maximize your ability to cope. That means giving your body the right nutrients that supply you with adequate reserves of vitamins, minerals, and other essential elements. And don't forget the liquids. Your body needs to be adequately hydrated.

And don't forget about exercise. Engage in some form of physical activity regularly — at least twice a week and, when possible, more often. It can be participating in a sport or working the treadmill. Your exercise regime doesn't have to be fancy or overdone. Walking whenever you can is one of the more overlooked forms of exercise. If you belong to a health club or gym, even better. The secret of exercise is building it into your life — scheduling it. And make it convenient. If you can find a gym near your home or where you work (or even *at* work), that's great. The chances of your showing up there are now far greater. Just do it!

- » **Get enough sleep.** Sleeping enough is a key element in managing your stress. Too little sleep can leave you tired and drained of energy. Your body and mind aren't prepared to tackle stress. Most people do well on seven or eight hours per night, but individual needs vary. You can usually tell if you're getting enough sleep if you wake up rested and can get through the day without feeling tired. If you're unsure about how much sleep you need, experiment on the weekend or on vacation, gradually lengthening your sleep time and seeing how much better you feel. By the way, getting *too much* sleep (more than eight hours) may not be so good for you, either.



WARNING

Basic sleep hygiene can help. Try to get to bed at a consistent time, leaving you enough hours of sleep before you hear your alarm. Before bed, don't get overstimulated by exercise, your smartphone or tablet, or an argument with your partner or spouse. Keep the room dark and cool. Stay away from large meals just before bedtime. Avoid stimulants like smoking or caffeinated drinks. Reserve the bedroom for sleep (and sex) if at all feasible.

For many, getting to bed isn't too difficult. It's the "falling asleep" part that's problematic. And while sleeping pills and alcohol may work in the short run, they're *not* recommended as part of a long-term solution.

- » **Don't worry about the unimportant stuff.** Know the difference between what's truly important and what isn't. Put things into perspective. Many — if not most — of life's stressors are relatively inconsequential.

One good way of putting things into perspective is asking yourself, "On a scale of one to ten, how would I rate the relative importance of my stressor?" Remember that eights, nines, and tens are the "biggies" — major life problems such as a serious illness, the loss of a loved one, a major financial loss, and so on. Your fours, fives, sixes, and sevens are problems of moderate importance — a lost wallet, an unreliable car, or a broken water heater. Your ones, twos, and threes are your minor worries or stressors — you forget your wallet or you get a bad haircut.

Now, rate the level of worry and distress you feel *about* that stressor. Again, use a similar ten-point scale, where ten represents "a great deal of distress" and one is "only a very small amount of distress."

Compare the two numbers. If the amount of stress you're experiencing is larger than the importance of the stressor, you're probably overreacting.

- » **Don't get angry often.** Anger is a stress emotion you can largely do without. Knowing how to avoid becoming angry and losing your temper is a skill well worth mastering. Learning how to control the expression of your anger can also spare you a lot of grief and regret. Much of your anger comes from various forms of distorted thinking. You may have unrealistic expectations of others (and of yourself!) that trigger anger when they aren't met. Your anger may arise

from low frustration tolerance, where you exaggerate your inability to cope with discomfort. You may be “catastrophizing and awfulizing” or creating some “can’t-stand-it-itis.”

- » **Be organized.** Feeling a sense of control over your environment is important. A cluttered and disorganized life leads to a stressed life. Getting organized means developing effective organizational strategies and tools. For many, clutter is the prime culprit. For others, the lack of an organizational strategy becomes the roadblock — where did I file that file? Fortunately, many useful ideas can help you reverse disorganization challenges.
- » **Manage time efficiently.** Know how you spend your time and how you waste your time. Learn to use time effectively. Be in control of your schedule. A good place to start is creating and using organizational lists. By combining to-do lists and your calendar (paper or digital), you have a powerful organizational tool to help you gain control over your time. To know where your time goes, you may try keeping a simple log, tracking how you use your time. Doing this for even a few days gives you a good picture of what needs to be changed.
- » **Have a strong support system.** Don’t neglect the meaningful people in your life. Spend time with your family and friends. Have people in your life who listen to you and care for you. If you find that your social support system is a little thin, consider ways of meeting others. These days, you have no shortage of places to meet others who want to meet you. The activities can include joining a book group, playing a sport, hiking, walking, or biking, to suggest but a few. Going online can make this process much easier. Your local house of worship can also bring you into contact with people who share your values and goals. And don’t rule out a volunteer experience; you can help others and meet new friends.
- » **Live according to your values.** Examine your values and goals, assessing whether they truly represent who you are and where you want to go in life. Pursuing values that aren’t reflective of the kind of life you want can lead you to an unhappy and stressful place. Ask yourself, “What do I want to get out of my life? What is truly important to me?”
- » **Have a good sense of humor.** Laugh at life’s hassles and annoyances. Be able to laugh at yourself, and don’t take yourself too seriously.