

Are concerns about money keeping you up at night?

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No matter your age, income or walk of life, money is an emotional topic. Having it in abundance can unlock a world of opportunities, or be overwhelming, while losing it, or constantly being in a state of need, can be devastating and leave mental scars.

Money or financial post-traumatic stress disorder (PTSD), while not recognised in the Diagnostic and Statistical Manual of Mental Disorders – the tool mental health professionals the world over use to make diagnoses – is a real lived experience for many. Psychologist Dr Galen Buckwalter defines financial PTSD as “the physical, emotional and cognitive deficits people experience when they cannot cope with either abrupt financial loss or the chronic stress of having inadequate financial resources.”

While childhood is a period that can strongly influence how you view and feel about money, it's not the only time or place that financial trauma or money PTSD can take root. Cathy Lammas, a Business Development Manager at Glacier by Sanlam, discusses some of the scenarios some of us might have experienced even just within the past few years that would not only affect emotional and mental health, but be financially traumatic, too: “Your business might have had to close down, or you may have suffered a job loss. Perhaps you had to retrench employees at your company. So there would've been not only a loss of income, but also the burden of knowing you've had to let some people go, which leads to great emotional stress.”

Trauma isn't only caused by loss, either. You could receive a windfall, or win the lottery, and be left with a sense of guilt about the resources made available to you, or regret about how you handled them.

So, how do you know if you have money PTSD?

Your stress response to financial or money trauma can take different forms, depending on your own coping mechanisms, how recent your experience was, and what the actual experience involved. “Within a family or friendship unit, red flags could be if you're constantly talking about

money, or about get-rich-quick schemes,” shares Cathy.

Another symptom can be over- or under-spending. For example, if growing up your financial resources were limited, you might take thriftiness to an extreme as a trauma response to avoid being in that scenario. Likewise, you may have a poor credit score or be in a debt spiral and overspend. “Shopping gives you a dopamine rush. So, when you are extremely stressed out, anxious and tense, you do whatever feels good to make you feel better, and for many, that means shopping.” Do you avoid opening bills, or even hide them in a drawer out of sight? This can also be a sign of money PTSD. “This is a classic example of denial or avoidance – just ignoring reality,” says Cathy.

Begin the healing process

Cathy has some good news: there is hope for healing. “Financial trauma, like any trauma, is not a life sentence,” she says. And you can get on track to healing and securing a steady, fruitful financial future where you rule your finances, not the other way round. Try make a start with these steps:

Own and normalise it

“One aspect involved in healing is to admit what you’re dealing with,” says Cathy. “It’s important to speak about your situation, and reach out to your immediate circle and get support.” For example, if you’ve suffered a loss of income, or you’re drowning in debt, the extravagant expenses need to be paused, even if just temporarily. Letting your friends and family know about your situation can empower them to support you in a meaningful way.

Speak to your financial adviser

You might have developed an unhealthy financial habit, and need to put a strategy in place to curb it so it doesn’t jeopardise your financial goals. Or, if you’ve recently endured a financially traumatic event that could affect, say, your retirement planning, your adviser needs to know about it. “Let your adviser know that you’ve lost your job,” suggests Cathy. “Tell them you can no longer make your monthly premiums, and find out whether there are any penalties linked to this.

“Good financial houses often offer solutions that allow you to freeze your premiums and incur zero penalties,” she continues. This is particularly useful and necessary in a situation where you’ve been retrenched, and can’t afford to maintain risk cover premiums or retirement fund contributions.

Take control

Cathy also labours the importance of taking your finances by the reigns by broadening your financial education and finding out about the range and flexibility of the products that are available to you on your financial journey.

With Glacier's investment platform, you can access the widest range of leading local and international funds, all in one place. Particularly important in guarding yourself against a financially traumatising emergency is building an emergency pot of savings. "You should have enough money saved up for the number of months you are likely to be unemployed if you are retrenched, for example," she says. "Having a nest egg to fall back on until you get back on your feet in the event of a job loss, or a divorce, can help you get through the trauma."

Ask your financial adviser about savings options you can add to your portfolio using Glacier's investment platform. The investment platform allows your adviser to customise your fund selection for ultimate personalisation, ensuring your long- and short-term investment needs – both planned and unplanned – are covered.

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