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WVNG Coffey Break

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Healthy Financial Habits

Welcome to the January 2011 edition of the WVNG Coffey Break, a monthly Wellness publication for all WV National Guard members and their families. The objective is to promote wellness, readiness and resilience by providing information and resources on topics relevant to daily living.

This month's topic addresses financial matters. As we move full-steam ahead into 2011, you may be faced with credit card bills from the holidays or simply have poor financial habits. This article will provide tips on setting up a Christmas Club account, goal setting/maintaining, debt reduction, and development/implementation of a budget.

This is the first edition to include articles from Donna Cooke, the new state WVNG Director of Psychological Health in a section titled Cooke's Choice and Daniela Lupu, the 167th Wing Director of Psychological Health in a section titled Break Away. We are excited to be collaborating as we strive to provide the WVNG with a strong behavioral health team for you and your family members. So please, take a few minutes to read the following article before hitting "Delete" on your computer.

"The safe way to double your money is to fold it over once and put it in your pocket." ~Frank Hubbard

The mission of the National Guard Psychological Health Program is to advocate, promote and guide National Guard members and their families by supporting psychological fitness for operational readiness. For contact information regarding the Director of Psychological Health in your state or territory or other resources, go to: www.jointservicessupport.org/

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Break (brāk) definition *verb*: To interrupt or stop *break a habit*; *noun*: A respite or brief pause *taking a break*.

Coffey Break

Debt Reduction – 5 Easy Steps

According to Dave Ramsey, American financial author and motivational speaker, most people go into debt because of mistakes. And some of those people, look for quick fixes such as debt consolidation or debt management to solve their money crisis. He states, "*Real debt help is not quick or easy.* Laziness is a character flaw. You need to **be willing to work and sacrifice** in order to fix the situations that you created with your own irresponsibility. If you are not willing, then you cannot be helped." With a little dedication and prior planning, it is possible to reduce your debts on your own. Why pay debt counselors and consolidation agencies fees for things you can do yourself?

1. Evaluate your debts – Collect all your financial documents and print out your credit reports. Take a good hard look to see where you stand. On a piece of paper, write down the balances, interest rates, and monthly amout due for each of your debts. Include auto loans, personal loans, credits cards, and other debts. Make note of any annual fees on your credit cards. You don't need to include your mortgage loan or student loans. These loans have relatively long terms and low APRs so it is better to focus on paying off your other debts first.
2. Look at your Budget (See next section)– Once you have subtracted all of your expenses, calculate how much you have left to pay off your debts. If this amount is too small, look for ways to reduce your spending. Consider turning off your cable subscription or carpooling as ways to cut back temporarily. The more you can pay towards your debts each month, the sooner you will be debt free.
3. Make a Plan – Now that you know about your financial situation, it's time to create a plan for reducing your debts. Subtract your minimum debt payments (Step 1) and montly expenses (Step 2) from your monthly net income. The remaining amount should be used to pay off debt.
4. Negotiate – This may be the step that is most difficult to take, but also one that has the most potential to impact your debt recovery. Contact your creditors and lenders to see if you can improve the terms on your debts. You may be able to lower your interest rates or negotiate a reduced settlement on some debts by speaking with the customer service department. Also, think about moving some of your credit card debts to new accounts with lower interest rates. Moving a balance to a credit card with a 0% introductory rate for 6-12 months can help you save a lot on interest. Just be sure to keep each of your credit card balances below 35% of the credit limits to avoid damaging your credit score. During this time, investigate if consolidating your debts into a personal loan or home equity loan could help too.
5. Follow through - Do your best to meet your payment goals each month. It's okay if the amount you put toward your debt each month varies. Just try to consistently put as much as possible toward your debts. Signing up for an automated payment system and keeping a chart of your progress on the refrigerator can help you stay on track. When you reach major milestones, be sure to celebrate your success….however, not by spending

"There are plenty of ways to get ahead. The first is so basic I'm almost embarrassed to say it: spend less than you earn."
~Paul Clitheroe

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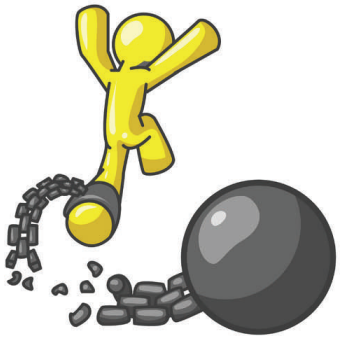
Breaking Away with Dr. Lupu



Getting Unstuck

This *is* the year! I will be a better parent, a better spouse, a healthier me! *This* is the year I will not procrastinate, I will … and the list continues. How many of you welcome a New Year with genuine excitement for its possibility of a fresh start? Yet not even a few weeks into it your excitement wanes and you feel stuck in your personal version of the movie, *Groundhog Day*. You're spinning your wheels, run out of steam and give up. Periodically, something jars your memory and you're reminded of those resolutions as you berate yourself for not following through with them. Why do all these New Year resolutions end up cast to the curbside alongside shriveled up Christmas trees?

We're creatures of habit. Change, even positive change, is not something we instinctively gravitate towards since it takes work and effort. Having your most cherished dream fulfilled or losing a loved one can be equally stressful because both stray from the daily routine of life. Put that way, it seems that change could be like climbing Mt. Everest in a couple of hours. MISSION IMPOSSIBLE!

Not at all. There are principles which linked together can help you achieve your goals, even financial ones. Remember, the habit of today was at some point a new behavior. While today your walking is automatic, initially you had to gain strength in your muscles, then lift yourself up while holding on to someone or something, then you made a tentative step, fell down a couple of times and restarted the process. Remember this image and follow the principles listed below. You will find that within a short time what was once new will become as automatic as walking.

Principle 1: Keep it Simple & Specific: Human beings have grand ambitions and dreams. Brainstorm your own dreams and hopes for the future then break them down into small, measurable steps. Do you want to be more frugal or healthier this year? Your chances of success increase when you say you'll save a specific and small amount each paycheck. You're more likely to succeed at losing weight if you say you'll exercise each day for 10, 15, or 20 minutes or replace 1 sugary snack with 1 healthy snack a day, a week etc. versus saying you plan to lose 20lbs this year.

Principle 2: Write it Down: Studies have shown that people are more likely to succeed in their goals if they write them down. Think of this as your road map that will guide you toward your destination. You can keep track of your progress and identify obstacles that interfere with goal attainment. Keep this paper in a visible spot and review it for 5 minutes weekly.

Principle 3: Give Yourself Some Grace: No one in life did everything perfect the first time. Instead of criticizing yourself for failing, see each attempt as moving closer to your goal. Your resolve to change will falter. Instead of beating yourself up, acknowledge that you slipped. This is the time when you can spend a few minutes to reevaluate and adjust your goal. Is it set too high? Can it be broken down into smaller more do-able steps?

Principle 4: Find a Partner: No one is an island unto himself. Find someone who is working on a similar goal so you can keep each other accountable. Choose someone who is trustworthy, encouraging and truthful.

Principle 5: Celebrate : Motivation is maintained by keeping your expectations realistic, reevaluating your goals and celebrating small victories. Don't be so focused on getting to your destination that you overlook the small changes. Rejoice in these achieved milestones so when you go off track you can remind yourself that you're not at square one. Whenever possible choose rewards that are not food or money dependent. So here's to not only a New Year but a new day filled with the opportunity to try again. Edison took more than 2 years and made more than 6000 attempts to create the light bulb. Dream big, take one small step at a time, write it down, be kind to yourself, find your cheerleader, and celebrate!

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Cooke's Choice by Donna Cooke

Starting a Christmas Club Account

Aaawwhhh…the holiday season of 2010 is now a warm memory that you will carry with you the rest of your life, but does the cash flow crunch or credit card debt you now face interfere with those warm, fuzzy feelings? Did you know that while many people overspend during that time of year for a variety of reasons it is typically their result of poor planning that causes the major problem? There is an easy solution to this dilemma and it's nothing new or fancy nor do you have to be technologically savvy to do it. It is the old fashioned Christmas Club account! This account is quite basic but it offers huge personal and financial rewards!

Each week or month, you put a little bit aside, typically $5 to $20 and you do so regularly. Not only does it add up throughout the year but generally, the banking institution will make the final deposit so it's one your few opportunities for FREE money.

By opening up a Christmas Club at your favorite bank or credit union, you take the first step to committing those dollars to a tangible goal that you can meet in just one year. Let's be honest…how many times have we promised ourselves to do this at home but fail to get started or used the money for some other "worthy" cause by June? By setting up direct deposit into this account, you take the "would've" or "should've" out of it. Most folks don't even miss it and manage just fine without it throughout the year.

A Christmas Club can bring you a great deal of personal satisfaction. In late October, when you generally receive your funds, you feel that you have accomplished a financial goal that you can literally hold in your hand. That doesn't happen too often in this economy! While your friends and co-workers dread the thought of holiday spending, you can look forward to gift giving

without the worry or guilt that comes from credit card use or blowing the budget.

Many Christmas Club fans report other incentives and benefits as well. It gives them the initiative to start holiday shopping early so that they can truly enjoy those busy weeks with family and friends. Christmas Clubbers are able to take advantage of preholiday sales, but, perhaps the most important incentive of all, these folks tend to develop and stick to a holiday spending budget. Combined with the early sales, some even end up with money left over to add to their savings or apply to a vacation the next year. It truly can bring out the bargain hunter that lies within and it becomes an enjoyable challenge to many.

With just a few dollars weekly or monthly, often payroll deducted by an employer or automatically withdrawn by the financial institution, you can reap huge financial and emotional profits not only for the 2011 season but for years to come. The holiday season will again be upon us all before we realize it. You can truly make yours a "wrap" without those lingering financial woes by calling your bank or credit union today!

Free financial advice is available to all WVNG service members and their families. The WVNG Family Programs Office currently has a rotational Personal Financial Counselor, Michael Byrne, on staff. Contact information: www.wvfinancialcounselor.com. Or call 304-400-9193.

"Money will buy you a pretty good dog, but it won't buy the wag of his tail."
~Henry Wheeler Shaw

The Final Sip

Have you ever attended the circus and watched in amazement as a team of men and women perform a juggling routine? At first it seems simple enough. Three balls, then four, then five, and so on. Some add clubs, hoops and fragile plates. Then, an element of danger is added as flaming torches or long-blade knives are tossed through the air. We hold our breaths and applaud with appreciation at the completion of the demonstration and all the while, wonder how they manage to make it look so easy. Even during the most complex part of the routine, the performers manage to smile and the act appears completely effortless. Our lives often seem like juggling acts with work schedules, school schedules, exercise schedules and drill. Meal plans, vacation plans, grocery lists, household chores….and so it goes.

The motto for this coming year is "Living a Balanced Life." Consequently, each edition this year will focus on topics that will help us find the proper balance in our daily routines. The current "buzz word" in the military is *Resilience,* and although this term may be coming to the forefront, it's concept is nothing new to those of us in the behavioral health community. Resilience is the positive capacity of people to cope with stress and adversity, the ability to "bounce back" after a difficult time. Living a balanced life is a similar concept. Sometimes, being out of balance sneaks up on us. Frequent arguments with our spouse or children, stess headaches, not feeling joy in life. Sometimes we don't even realize the problem is not living a well balanced life. The easiest way to prepare for an out of balance situation in our lives is to know what the different parts are of living a life of balance. This year we will be challenging ourselves and you to work on balancing our lives together. There are several components of a living a life of balance.

- Financial and Career
- Family and Home Life
- Mental or Educational
- Physical Body and Health
- Spirit, Spiritual, and Ethical
- Social and Cultural

Each of these pieces is like one of the balls we are juggling, trying to keep up in the air. If any one of these is dropped, our "act" loses its appeal. If we try to ignore one of the pieces, major havoc in our life may result. Sometimes, the out of balance part causes us to seek answers not only to it, but also, to other neglected parts as well.

A question I often ask myself when I have a decision to make is "What have I to lose if I do this?" More importantly, though, it is followed by a second question, "What have I to gain if I do this?" The answers play out differently in each of our lives but regardless, the impact has the potential to help you be the you, you always wanted to be. So, I challenge you to take this journey with us over the next year.

Feedback on this article is welcomed. If you have a concern about yourself or a family member, feel free to contact Donna, Daniela, or myself. Contact information is listed below. Services are free and confidential. We look forward to hearing from you. So……Step back , take a Coffey Break, and Drink to Your Health!

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