ERS Press

A Publication of Employee Resource Systems, Inc. An Employee Assistance Program

Ask ERS?

Dear ERS Advisor,

I'm hoping that you can give me some advice on how I can convince my husband to go to the doctor. It's not that I think that there's anything wrong but I am a big believer in preventive medicine and go for an annual physical, an annual pap smear, and visit my dentist twice a year. My husband is the complete opposite as he hasn't been to see a doctor for ANY reason since he had to go for his high school physical! We've gotten into several arguments about why he won't go and I'm *really* frustrated. Am I just being too paranoid and negative, like he says?

Healthy & Worried

Dear Healthy & Worried,

It's understandable that you would feel frustrated, even angry that your husband doesn't follow your logic when it comes to healthcare but you describe a common problem for many men. In fact, the Agency for Healthcare Research and Quality determined that men are 25% less likely to go to the doctor than women. There are a lot of different reasons that may explain the reluctance to see a doctor. It often relates back to fear and anxiety associated with doctors and bad news or the perception that you'll appear weak if you go to the doctor. Some men even rationalize away their symptoms to more immediate causes (something I ate, worked out too hard) rather than consider more serious health issues.

Try making the following points to change your husband's mind: 1. It's better to know the exact situation than to worry about the unknown. 2. Prevention and/or early detection, whether a problem is minor or more serious = better prognosis and lower costs. 3. Finally, good healthcare is a part of taking care of yourself and your family and planning for the future.

By conveying your own fears and concerns for your husband's well-being, he may realize that his choices affect more people than just himself. Keep up the gentle reminders and good luck to you!

ERS Advisor

Interested in submitting a question?
Send an e-mail to aharkleroad@ers-usa.org

Which Debts Must You Repay?

Some debts should be paid before others. Learn which debts should be your top priority.

Some debts are more important than others. If you are having trouble paying your bills, take the time to prioritize your debts. Make a list of essential and nonessential debts -- and always pay the essential debts first. Read on to learn which debts are essential and which aren't.

Essential Debts

An essential debt is one that you should put at or near the top of your list for payment. If you let an essential debt slide, you could face serious consequences.

Rent. Unless you know you are going to move and have a place to live, make paying your rent a top priority.

Mortgage. If you've lost your job or had another financial setback, carefully consider the pros and cons of selling your house.

- Reasons to sell. You might be better off selling your home, renting a moderately priced place, and using what's left over to pay your other essential bills.
- Reasons not to sell. Consider the housing market. If your house will be worth more in a year than it is today, you might wait and sell later. That would give you more money to pay your creditors.

Child support. Failing to pay child support can land you in jail. What's more, a child support debt never goes away – it doesn't expire, and you can't wipe it out in bankruptcy. You'll have to pay this money sooner or later, so you should try doing it when it will help your kids the most.

Utility bills. Being without gas, electricity, heating, water, or a telephone is not safe – put these bills near the top of your list.

Car payments. If you need your car to keep your job, make the payments. If you don't, consider selling it or voluntarily turning it over to avoid repossession. You may be able to use any leftover money to buy a cheaper car.

Other secured loans. A debt is secured if a specific item of property (called collateral) is used to guarantee repay-

Continued on page 2

Which Debts Must You Repay? *Continued from page*

ment of the debt. If you don't repay the debt, most states let the creditor take the property without first suing you and getting a court judgment. If the property is something you cannot live without, stay current on your payments.

If you don't care whether the property is taken, or are confident that the creditor doesn't really want it, don't worry about missing a payment or two. But a default on a loan or a repossession of property will appear on your credit report for seven years and will affect your ability to get credit in the future.

Unpaid taxes. If the IRS is about to take your paycheck, bank account, house, or other property, immediately contact the IRS to set up a repayment plan.

Nonessential Debts

A nonessential debt is one with no immediate or devastating effects if you fail to pay. Paying these debts is a desirable goal, but not a top priority. Just remember that failure to pay any debt will cause it to stay on your credit report for seven years.

Department store and gasoline charges. If you fail to pay these bills, you'll probably lose your credit privileges and, if the debt is large enough, you may be sued.

Loans from friends and relatives. You may feel a moral obligation to pay, but these creditors are most likely to be understanding of your predicament. See if you can defer making payments until you are back on your feet or agree on an alternate repayment plan.

Newspaper and magazine subscriptions. These debts aren't essential, but failure to pay will lead to collection actions.

Quarterly Quote

"Keep your words soft and tender because tomorrow you may have to eat them." – Author Unknown

Legal and accounting bills. These debts are rarely essential, but may lead to threatening letters and lawsuits if they remain unpaid.

Other unsecured loans. An unsecured debt is not tied to any specific item of property -- in other words, there is no collateral for the debt. This means that a creditor cannot take your property without first suing you in court.

Essential or Nonessential?

Some debts straddle the line between essential and nonessential. Not paying won't cause severe consequences in your personal life, but could prove painful nonetheless. In deciding whether or not to pay these debts, consider your relationship with the creditor and whether the creditor has initiated collection efforts.

Some of these debts include:

- Auto insurance. In some states, you can lose your driver's license if you drive without insurance. In California, you cannot register your car without proof of insurance.
- Medical insurance or bills. If you let your health insurance lapse, you may have difficulty getting new insurance. Especially if you are currently under a physician's care, you'll want to continue making payments.
- Credit and charge cards. If you don't pay your credit card bill, the worst that will happen before the creditor sues you is that you will lose your credit privileges. But penalties and interest add up quickly.
- Car payments for a car that is essential for your job. The inconvenience of not having a car may justify making these payments.
- Court judgments. Once a creditor has a judgment, the creditor can collect it by taking a portion of your wages or other property. If a particular judgment creditor is about to grab some of your pay, the fact that the original debt may have been nonessential is irrelevant.
- Student loans. Paying an old student loan isn't essential if the holder of your loan isn't hassling you. But paying the loan may become essential if the IRS is about to intercept your tax refund, the holder of your loan threatens to garnish your wages, or you are making payments under a "reasonable and affordable" repayment plan to rehabilitate your loan and get out of default.

Stick to Your Debt Paying Plan

Do not make payments on nonessential debts unless you have money left after paying the essential ones. Don't lose sight of your priorities if nonessential creditors are breathing down your neck.

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Dollars & Sense

Most people face financial stress at some time in their lives. With the right help and a willingness to make changes, financial problems can have solutions.

First get a clear picture of your financial situation. The best way to do this is by developing a budget. The process of making a budget is simply comparing what you ***have*** with what you ***need***. Before budgeting, open a checking account to monitor spending patterns. The key to using a checking account as a budgeting tool is to make sure it balances every month.

Creating a monthly budget is a simple three step process:

1. Determine your monthly net income by multiplying your net paycheck by the amount of times you get paid per year and divide this total by 12.
2. Determine what you spend using the same system. For example, car insurance may be paid only twice a year, but if you save for it in your checking account monthly, it will make writing the check easier when it is due. When budgeting, remember to include EVERY EXPENSE. Nine major expenses you should include are:
   a. Housing
   b. Utilities
   c. Groceries
   d. Transportation
   e. Insurance
   f. Childcare
   g. Medical costs
   h. Entertainment
   i. Personal purchases

Save receipts for at least one month to get a clearer picture of what you spend.

3. Compare your monthly net income with your monthly expenses. Remember to include other sources of income, such as bonuses and tax returns. If you do come up short, it is important to look at areas to decrease expenses or to increase your income to avoid debt.

One common way to get into debt is by using too much consumer credit. For many, getting a credit card is easy. Making minimum payments, however, on some credit cards can take several years to pay the balance in full. A guideline for credit spending is that monthly payments should not be more than 20% of your net income. Try to pay more than the minimum payment to decrease the balance.

If your income exceeds your expenses, this will give you a chance to save money. Reserving the equivalent of three to six months of your net income is recommended as with a job loss, this is the average time it takes to find a new job. Long-term financial planning is also important when considering retirement and family planning. Certified financial planners are recommended to help in this decision making.

For more information about budgeting and financial counseling, or in obtaining a list of resources, call us at Employee Resource Systems, your Employee/Member Assistance Program.

just the FACTS.

- According to the National Bankruptcy Research Center, the number of U.S. consumers who filed for bankruptcy has increased 48% from last year.
- In the web article, "Health Insurance Costs", the National Coalition on Healthcare notes, "One in four Americans say their family has had a problem paying for medical care during the past year, up 7 percentage points over the past nine years. Nearly 30 percent say someone in their family has delayed medical care in the past year, a new high based on recent polling."
- According to a study conducted by the Journal of the American Heart Association, people who lived a healthy lifestyle cut down their risk of stroke by 80% when compared to those who did not.

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Sites to See

http://www.usdoj.gov/ust/eo/bapcpa/ccde/cc_approved.htm
The United States' Department of Justice has a page that allows you to search for Approved Consumer Credit Counseling Agencies by state as well as by language spoken.

http://www.nolo.com/resource.cfm/catid/8f8c3c1a-2347-419a-9c65b0b8c7762e3b/213/
Nolo.com's site covers all things legal, financial and much more! Written in plain, easy-to-understand language, their articles can help you understand what the difference is between Chapter 7 or Chapter 13 bankruptcy, or if you should consider an alternative to bankruptcy.

http://www.ahrq.gov/consumer/cc/cc080508.htm
Dr. Carolyn Clancy, director of the Agency for Healthcare Research and Quality discusses specific recommendations and guidelines for men and women, 50 years old or older, to stay healthy.

Are you wondering if you might have an alcohol or drug problem? Maybe a family member could use some help getting clean and sober? Call us, your Employee/Member Assistance Program for free and confidential help.

Editor Andrea Harkleroad

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