

## Are you suddenly "house poor"?

by *Barbra Williams*

### Five Steps to Get You Back on Track

The housing market is in shambles and every day the bleak news seems to get worse. With foreclosures at a record high, economists predict the pace won't slow down for at least another 6 months. Behind these grim statistics are families who are struggling and desperate, trying to figure out how to hang on to their homes and ease their money woes. If you're one of those families, you probably feel like you're stuck in a losing situation. But you can take some steps to regain control of your finances and get back on track!

"While the Federal Reserve cut the interest rate in an effort to prevent the housing slump from spurring a recession, you should look into the other measures the government is taking," says Barbra Williams - a self-made millionaire, success coach and spokesperson for the Success Institute of America.

For example, investigate the possibility of re-financing a problematic loan through the government's FHA Secure loan program. This program may help if you've suddenly found yourself "house poor" due to creative financing that's taken an ugly turn and sent your adjustable mortgage rate payment skyrocketing.

But don't rely solely on the government to save you from financial ruin. If you're one of the millions of Americans consumed with stress over finances, it's time to take action.

## Five Key Steps to Regain Your Financial Health

**Assess your financial situation:** Make an honest assessment of your current income including the how, when and where of your spending. Determine how much money you're forking out each month for bills, but don't forget to take into consideration the spending on everything from prescriptions to lunches, haircuts to dry cleaning. It all adds up!

**Decide where you want to be financially:** By setting financial goals you will be able to focus on what you need to do in order to get there. Is taking a second job a good idea? Assess if there are corners that you can cut in your spending which will help you become financially fit. Believe it or not, cutting out the daily latte may be one of the keys to reaching your financial goals faster.

**Make goal-based decisions:** Don't just make any financial decisions – make decisions based ONLY on whether they bring you closer to achieving your financial goals. Do you really think that signing up for premium cable TV package when you are struggling to pay the mortgage brings you any closer to your goals! Make sure to take into consideration that better financial decisions move you forward on the path to success! Stop rationalizing expenses!

**Do something every day to move you closer to your financial goal:** Knowledge is power and in order to stay motivated, why not keep finding new ways to stay on track? Attend a money management workshop, read a financial advice book, find helpful internet based newsletters or possibly even ask for professional help. Doing this everyday will keep you focused on your goals and prevent you from slipping into bad habits.

**Learn to manage the money you have now:** Money management is the most critical factor in building wealth, so it is time to learn how to live on par with your income. If you are really motivated to make a change, learn how to live beneath your means. This is a surefire way to accumulate wealth!

As a financial expert, Williams understands why so many Americans feel anxious about their finances. She firmly believes financial health is about more than money. She says when people are under financial duress it affects all areas of their lives. That's why it's so critical to take action. "Financial problems hurt more than your bank account," says Williams. "When you feel stressed about money, that anxiety has a negative impact on all areas of your life—your relationships, your job and your health. I bet you find yourself snapping at your family and constantly distracted by thoughts of how you're going to pay each bill. It's definitely not a healthy way to live." Williams says it's important to start your roadmap for the future as soon as possible. "Carve out some time to sit down, grab all of your bills and outline your roadmap. Simply taking that first step will instill a sense of relief."

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