

# Financial Strain and the Lemon Experience of Life

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A lemon experience of life is a dramatic or stressful experience. A lemon experience may be severe, such as the death of a loved one or the loss of a job, or more subtle, such as not getting a pay raise. Nonetheless, we do have a choice about how we react: Either we can make lemonade out of these lemon experiences, or we can feel defeated and become immobile. Financial strain is one type of lemon experience that most of us face at some point in life. Not having enough financial resources can feel awful at the time, but we learn from our experiences and gain resilience. Making some changes in your attitude and approach can help you find a new recipe for happiness.

## Lemon Experiences

For Kentucky as well as the rest of the United States, recent years have been economically difficult. According to the Foundation for a Healthy Kentucky, Kentucky's unemployment rate has been consistently higher than the national average and is expected to remain higher than usual for the foreseeable future. If you find yourself facing financial strain, a common lemon experience, you can learn to deal with challenging economic conditions by rethinking your approach. By learning what is most important to you and your family, you can find new ways to make the most of your money and make your family happier in the process.

Have you ever heard someone say "Losing that job was the best thing that ever happened to me?" With the right approach, unpleasant experiences can become positive. Cancer survivor Anita Siegel says, "In a way, I'm happy I got cancer. It changed my whole concept of what life is all about. My goals became different. My interests changed.... I accomplished more and I've experienced more than I could have imagined." But how do we get from the lemons to the lemonade?

## Buying Happiness

Many people try to make themselves happy by spending. We all want to be happy, and we are often frustrated when we don't have enough resources. Many things that we need or want will bring us at least some temporary pleasure, but maybe we're not doing ourselves as much of a favor as we think. Buying things for the wrong reasons—keeping up with friends or wanting to impress others—are likely to give us only momentary satisfaction and deplete needed resources. So what will really make us happy?

The *New York Times* recently reported that "people are happier when they spend money on experiences instead of material objects, when they relish what they plan to buy long before they buy it." The findings suggest that buying *things* will not necessarily make us happy and that delayed gratification may actually increase our satisfaction. This research reinforces the results of a 1995 study showing that Americans are seeking balance. When asked to describe what would make their lives more satisfying, people did not focus on material goods but instead said they want simpler lifestyles more in line with their core values.

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*Our goal should be to not let the lemons that life has handed us bring us bitterness or defeat but instead to use them wisely—to refresh our outlook on life and make lemonade.*

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*Instead of newer gadgets, more expensive cars, or bigger homes, most Americans say they want simpler lifestyles more in line with their core values.*

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## **Discovering Your Values**

Your values are the important ideals or beliefs that you use to navigate through life. Your values should guide your decisions, including those that involve your spending. Discover your values by completing the following exercises.

- Take a moment to think about your dreams, values, and life goals. List the five most important things you want to do with your life from this point on.
- Imagine that you have only three months left to live. List the most important things you would want to do with your remaining time.
- Look over your answers to the first two items. Are your two lists in harmony with each other? Star the three items that are most important to you.
- Consider your starred items, which should reflect your values. What steps can you begin taking toward your dreams and key goals?

Now that you have discovered the values that are important to you, use them to guide your spending.

## **Controlling Expenditures**

When you are facing financial difficulty, get the whole family involved. When family members contribute to finding a solution, they also feel invested in making the solution work. At a family meeting, rethink how your family will spend money. Be honest and specific about how much money is available. Discuss your goals and values in relation to your spending.

Encourage all family members to contribute to the success of the plan. Work together to achieve your goals, and celebrate your successes together. Learning to live on less and making sure every dollar spent is based upon family goals can contribute to a sense of pride and family harmony.

## **Reset Your Priorities**

Make a list of your needs and wants, and rank those items on a scale of importance to your family goals. Your money should go to pay for the things that are most important to your family goals *first*. Then divide the rest of your money among the other items. Avoid impulse buying. Leave room for emergencies and unexpected events.

## **Evaluate Your Purchases**

When faced with a purchase, ask the following questions, either alone or with your family:

- Is this purchase a need or a want?
- Where does this purchase rank on our list of goals?
- Can we afford to buy, or would we have to borrow?
- Will this purchase interfere with our family goals?
- Does this purchase strengthen emotional bonds of the family?

Make the decision to purchase if your answers indicate that you need it, can afford it, and it is in keeping with your values and family goals.

## **Develop Your Plan**

Work together to create a budget for your household. Prioritize your debts. Always remember to pay those debts that are secured by your home or car *first*.

Develop a financial plan to ensure that you don't spend more than your income. Make sure your spending plan includes saving for emergencies and is in line with your goals and values.

## **Update and Rethink**

Put your plan into action, and revisit the plan on a regular basis. If any part of your plan is not working, find a new solution together and adjust the plan accordingly. If something you or your family would really like to purchase does not fit into your plan, encourage family members to enjoy planning for the future or thinking of clever ways to attain their goals. Remember that delayed gratification may actually increase our satisfaction when we do achieve our goals.

## **Seek Assistance**

If you are facing possible foreclosure on your home or you're considering filing bankruptcy, you might want to seek help from outside professionals, such as a lawyer and/or financial counselor. If you think it would be appropriate, you might also want to discuss your situation with parents or other family members. The earlier you get help and advice the better.

## Where to Get Help

### **County Extension Service**

Your local county agents have a wealth of research-based resources to assist you in improving your economic well-being. The University of Kentucky Cooperative Extension Service has developed a new website called **MoneyWi\$e** ([www.ca.uky.edu/moneywise](http://www.ca.uky.edu/moneywise)) that gives you direct access to publications and money tips as well as links to all other land grant university extension service resources related to money management. The site includes links to money management professionals through the national eXtention website where you can ask questions of the experts.

### **Public Library**

Almost all local libraries provide computers with Internet connection, which you can use to search for a job, work on your resume, or search for financial information such as the MoneyWi\$e website. Public libraries also provide books and magazines such as *Consumer Reports* and Kiplinger's *Personal Finance*. Many also offer training on how to use a computer and the Internet. Libraries are a great place for children to find books to borrow and read free of charge, and they provide other programs for children and adults as well. In addition, many libraries offer free tax preparation for low-income consumers and even provide free filing in some cases.

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