

Financial Stress Dumbs Down Your Brain



Financial stress appears to have a serious effect on your brain's ability to function.

Nobody wants to get dumber, but you might just be experiencing a drop in critical thinking skills and IQ each time your financial stress level rises.

Financial Stress Affects IQ

Researchers found similar results between Indian farmers under financial duress until the end-of-season when their crops were

sold and NJ mall shoppers who respond to scenarios of having small or large car repair bills.

Testing results from both lab and field studies indicate thinking skills and IQ decrease when each group is faced with the threat of financial insecurity. The situation is compared to the similar effects of trying to function without a night's sleep.

We think of our IQ level as being fixed and a reflection of our intelligence and ability to navigate life.

Actually, IQ can vary over a lifetime.

However, this study shows how quickly financial stress can lower IQ level and affect everyday brain performance.

The results suggest increased financial stress creates consuming thought patterns based on fear and agitation.

These thought patterns become dominate and crowd out thinking skills of good judgment and decision making.

Once, financial security is restored IQ and thinking skills increase, meaning IQ is more impressionable than previously thought.

The Financial Stress of Being an Entrepreneur

Being an entrepreneur certainly, comes with more stress as you seek to build a profitable business. In the process, there is an initial investment in training and coaching, business set-up, and monthly maintenance costs.

Financial stability doesn't occur until there is an income generating funnel.

Even then, income can be inconsistent between each product launch cycle, unless there are multiple product-oriented services to even it out.

Financial stress for the entrepreneur is not only greater, but also, has greater consequences when making business decisions during this time.

When Financial Stress Occurs

- IQ and critical thinking skills are not optimal
- The effect is not permanent and improves as financial circumstances improve
- Recovery from long-term financial stress may take longer

Counter Financial Stress by ...

- Not acting in haste
- Setting aside time to think things through plans and decisions
- Nourishing the body and your mind with healthy foods and water
- Using physical exercise to relieve stress build-up
- Getting feedback from those you trust
- Seeking professional financial counseling

When you've been financially challenged in your business, have you noticed a change in your ability to make decisions?

Study: by Harvard economist, Sendhil Mullainathan, and Princeton University, Eldar Shafir, professor of psychology

Source:

<http://www.businessweek.com/ap/2013-08-29/financial-stress-may-hit-your-brain-and-wallet>

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