

Communicating about Money and Money Issues

Learner Objectives

- Participants will learn how messages can lead to misunderstanding when communicating about money matters.
- Participants will learn to use knowledge from learning about their money attitudes and values to understand their money communications with others.
- Participants will be more comfortable discussing financial matters with professionals and family members.
- Participants will understand the importance of keeping certain personal financial information private.
- Participants will learn how to conduct a “Money Meeting”.

Resources/Materials Available

- Talk about Money worksheet
Don't Clash Over Cash
(Ohio State University Extension Fact Sheet)
<http://ohioline.osu.edu/hyg-fact/5000/5208.html>
- What to Look for in a Financial Professional
www.ext.nodak.edu/extpubs/yf/fammgmt/fe451w.htm
- Sharing Your Personal Information: It's Your Choice
www.ftc.gov/privacy/protect.htm

- Privacy Choices for your Personal Financial Information
www.ftc.gov/bcp/online/pubs/credit/privchoices.htm

(Contact County Extension office for copies of web page(s) if lesson leaders do not have internet access)

Before the Lesson

Customizing the lesson. Depending on the profile of your group, certain sections may be more applicable than others. Read through the background materials and lesson, highlighting the sections that pertain to your group and their concerns. For example, if your group includes many individuals who are part of a couple, the information in “Don't Clash Over Cash” will be particularly useful. For older members, privacy issues may be a concern.

Order or make copies of handouts/activities you will incorporate.

The Program

To Say:

Introduction:

Why should we talk about money? We learned as children how impolite it was to ask how much someone paid for something, didn't we?

Unfortunately, there can be severe consequences when money is not talked about. Many couples cite money problems as a factor in divorce. Consumers find they have been taken advantage of when they do not ask for estimates before buying goods and services. And many families are forced to deal with additional stress after the death of a loved one when financial matters were not communicated beforehand.

Communications Basics

Sometimes when we communicate, what we say may not be as important as **how** we say it. Here are some types of money messages we may be giving that can get in the way of what we really want to say (*do NOT read the examples if you plan to use the M & M activity*):

Messages that order, direct, or command tell a person their feelings or needs are not important.

Examples: “You need to spend less on food.”
“You are wasting your money.”

Warning and threatening messages tell what will happen if something is or isn’t done, and can make a person feel fearful and submissive.

Examples: “If you don’t control your charging, I’ll cut up the charge cards.” “You will never get that new bike if you keep wasting your money.”

Moralizing or preaching messages that tell what should be done often result in resistance and defending a position even more strongly.

Examples: “You really should control the budget better.”
“You aren’t putting enough money in your savings account.”

Advising, offering solutions or being told how to solve a problem may make a person feel unable to make wise decisions.

Examples: “If I were you, I’d save that extra money.”
“You should wait to buy that until the end of the season.”

These messages that judge, criticize or blame, more than any other, make a person feel inadequate, inferior, or worthless.

Examples: “Can’t you ever balance the checkbook right?”
“You can’t spend your money on that!” “You bought that worthless piece of junk?”

Name calling, shaming, or ridiculing can hurt a person’s self-image or cause discouragement and anger.

Examples: “Okay, Smarty.” “That was a dumb thing to spend your money on.”

Money Messages Activity

To Do:

You can use this information for a Money Messages Activity. Allow 15 minutes for this activity.

Start with a bowl of M & Ms. Cut up the following statements and put them into an envelope or other container (letting participants pick a statement), or read the following statements (to members in order of seating). If you read the statements, mix them up.

“You need to spend less on food.”

“You are wasting your money”

(Ordering, Directing, Commanding)

“If you don’t control your charging, I’ll cut up the charge cards.”

“You will never get that new bike if you keep wasting your money.”

(Warning, Threatening)

“You really should control the budget better.”

“You aren’t putting enough money in your savings account.”

(Moralizing, Preaching)

“If I were you, I’d save that extra money.”

“You should wait to buy that until the end of the season.”

(Advising, Giving Solutions)

“Can’t you ever balance the checkbook right?”

“You can’t spend your money on that!”

(Judging, Criticizing, Disagreeing, Blaming)

“Okay, Smarty.”

“That was a dumb thing to spend your money on.”

(Name Calling, Shaming, Ridiculing)

After each statement, ask participants what kind of message that statement is giving. For every correct answer, participants can have an M & M from the bowl. For every wrong answer, allow the rest of group to answer the question in order to receive candy. Be aware that some statements are hard to categorize and can fit into more than one category.

Ways to Improve Communications About Money

To Say:

Try the following ways to improve your communications about money . . . and most everything else!

Use “I . . .” Messages

The words you choose and your tone of voice can fuel or defuse an argument. Your spouse is more likely to hear you if you use “I-messages” instead of “you-messages.” “you-messages” tend to be verbal attacks of blame and criticism. “I-messages” focus on you and your feelings.

The Three Parts of an I-Message:

1. “I feel . . .”

Make a clear statement of how you feel.

2. “When you . . .”

Name the specific behavior that caused you to feel that way.

3. “Because . . .”

Say why the behavior or event is upsetting.

Instead of this: “You never record the amounts of checks you write.”

Try this: “I feel frustrated when you don’t record check amounts because I don’t want to bounce a check.”

Remember: “I-messages” have three specific parts. Just starting a sentence with “I” doesn’t make it an “I-message.”

Identifying the Issue in a Money Disagreement

Sometimes the real reason for money disagreements is not related to money at all. For example, one adult daughter and her mother had a disagreement over the mother’s shopping on QVC. While the argument started with “You are spending way too much money buying jewelry from your television set!” the real issue was not money at all. The parent had enough money to cover her living expenses, along with everything she was buying through the television retail program. The real issue for the daughter was that her mother was buying more jewelry than she would ever wear, and was giving it away to friends and relatives. This was not a money issue, it was a management issue.

Management issues can range from how much we spend, how we spend it, where we spend it, and so on. Money issues are only the dollars and cents involved. Either you have enough to cover living expenses or you don’t.

Many times folks who think they are fighting over money are really disagreeing over management.

Talking about Money with Family Members

Family members may have different values, attitudes and goals without realizing it. Learning to understand each other’s perspective regarding money can be a great first step in improving money communications . . . and management!

Money Meetings

Your household is like a mini-business. Businesses that wait until a financial crisis to meet are not very successful or stable. Money meetings for your household are a great way to clear the air of any misunderstandings and set family goals and plans. Money meetings are scheduled, purposeful meetings to practice family money communication and to make plans and decisions.

Keys to successful money meetings are:

- Focused, with an agenda.
- A time limit (no more than one hour).
- A regular time (monthly or before pay periods is recommended; weekly may be necessary at first to get financial communications on track).
- Ground rules, such as:
 - no blaming,
 - use of “I” messages,
 - treating each other with respect.
- Start with understanding each other’s money background, if adults are involved.
- Work through goal setting.
- Draft a spending plan and cash flow statement.
- Prepare an annual family financial statement.

Using money meetings for your family money communications can provide opportunities for compromise, a win-win outcome for everyone.

To Do:

Talk about money activity. If you chose to use this activity, hand out the worksheet. Allow ten minutes to complete the worksheet, or use selected parts of the worksheet and encourage participants to share with household members. You may decide to send copies of the activity home with members.

To Say:

Talking with your spouse or partner about money.

One common problem in marriages is disagreement over money. Unfortunately, “how much should we spend” is less common than “you spent that much?” By understanding your own money beliefs and your partner’s money beliefs, you can better understand each other, the source of your money disagreements, and hopefully a more positive way of dealing with them. Money doesn’t have to ruin relationships; instead it can strengthen the bonds, teaching you to work as a team.

Talking about money as a wise consumer. Don’t be afraid to ask how much something is going to cost and get estimates in writing. Many consumers are faced with an unpleasant surprise when they receive a bill for goods or services when costs were not discussed in advance.

Talking with professionals about money. Financial professionals can be a wonderful resource for personal financial security. Choosing a financial advisor and determining just how much financial information is necessary to share are extremely important. The Extension publication *What to Look for in a Financial Professional (FE-451)* may be very useful.

Here are some questions you will want to ask or find out when you meet with a financial professional:

- How many years of professional training have you had?
- What is your educational background?
- What is your area of expertise?
- How do you keep up with current trends in your field?
- What type of clients do you usually handle and what income bracket are they in?
- How long has your company been in business?
- What other financial professionals do you work with?
- What credentials do you have? Professional memberships?
- How are your fees determined and how will I be billed?

One final question that is helpful is, “What would you like to know about me?” More than any other, this question will tell you whether this financial professional is a true pro. The adviser should ask you appropriate questions about your risk tolerance, your investment goals, your knowledge about investing, how much you already have invested and what investments you currently own. If the adviser isn’t interested enough in you to probe for full answers to these critical questions now, say good-bye. You’ll never get the treatment you or your cash deserve from a professional like that.

To Say:

When Not to Talk About Money! There is a time and a place for everything, including talking about your finances. Personal financial information should never be shared with anyone you don’t know and trust. Identifying information such as your social security number, credit card account number or ATM pin numbers should never be shared with others, unless you initiate the transaction and are certain of the security precautions. The next time you apply for a new driver’s license, make sure you receive an identifying number to replace your social security number for your driver’s license number. (This can also be done before your renewal date and year.)

You have probably received privacy notices from

banks and other financial institutions, explaining what information about you the company collects and, if they plan to share any personal financial information with other companies, what you can do to limit some of that sharing. Federal privacy laws give you the right to stop (opt out) some sharing of your personal financial information. These laws balance your right to privacy with financial companies’ need to provide information for normal business purposes. As a good consumer, take these steps when you receive a privacy notice:

- Read all privacy notices.
- Get answers to your questions from your financial company.
- If applicable, decide whether you want to opt out.
- If you decide to opt out, follow instructions in the privacy notice.
- If necessary, shop around for a financial institution with the privacy policy you are comfortable with.

Conclusion

Money! We argue about it, we need it, we save it, we earn it, we spend it, we think about it. Anything that important needs to be talked about with clear communications and with the people who really matter. Spouses, children, aging parents, financial professionals, and strangers — there are specific guidelines for establishing positive and healthy communications with each group. Think about your money communication style, and take steps to make it work even better to get what you want in your journey on the road to financial security.