



# Communicating about **Money** and **Money Issues**

Debra Pankow  
Family Economics Specialist

## Talking About Money

Why should we talk about money? Didn't we learn as children that asking how much someone paid for something was impolite?

Unfortunately, the consequences can be severe when we **don't** talk about money. 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

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 (or getting) that can get in the way of what we really want to say:

- **Messages that order, direct or command tell a person his or her 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 or ought to 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."*
- **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."*

**NDSU**  
**Extension Service**  
North Dakota State University

Fargo, North Dakota 58108

Reviewed and Revised August 2010

## Ways to Improve Communications

Instead, 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 check amounts are not recorded, 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 over 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 and how we spend to where we spend. 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 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 minibusiness. Businesses that wait to meet until a financial crisis are not very successful or stable. Money meetings for your household are a great way to clear the air of any misunderstandings and to set family goals and plans. These meetings are scheduled, purposeful meetings to practice family money communication and to make plans and decisions. Keys to successful money meetings have:

- A focus, 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 and treating each other with respect.

Start with understanding each other’s money background. Other meetings can involve working through goal setting, drafting a spending plan and cash flow statement, and preparing an annual family financial statement. Planning a family vacation is another good reason for a family money meeting.

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

## Talk about Money Activity

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 and the source of your money disagreements, and perhaps find a more positive way of dealing with them. Money doesn’t have to ruin relationships; instead it can strengthen the bonds and teach you to work as a team.

The worksheet that follows can be useful in understanding people with whom you make money decisions. Fill out the worksheets on your own, and then share and discuss answers.

## When Not to Talk

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. Identity 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 drivers license, make sure you receive the new identifying number that replaces Social Security numbers and other drivers license numbers. (This can also be done before your renewal date.)

You have probably received privacy notices from banks and other financial institutions explaining what information about you the company collects, if it plans to share any personal financial information with other companies and 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 in which you are comfortable.

## Talking 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

Financial professionals can be a wonderful resource for personal financial information. 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," 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 manage and what income bracket are they?
- 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 to ask 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. She or he ought to 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, you'll never get the treatment you or your cash deserve.

## 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 and financial professionals. Specific guidelines are available for establishing positive and healthy communications with each group. Think about your communication style. Take steps to make it work even better as you plan for your financial security.

# WORKSHEET - Talk About Money

**Directions:** Family members should answer these questions separately, then compare answers. The similarities and differences can spark a discussion of family money attitudes and practices.

1. If you received \$1,500 tax-free, what would you do with it?

\$ \_\_\_\_\_ for \_\_\_\_\_  
\$ \_\_\_\_\_ for \_\_\_\_\_

2. Rank the following activities. Use 1 to indicate what you would enjoy doing most and 5 to indicate what you would enjoy least.

\_\_\_\_\_ an evening at home with the family  
\_\_\_\_\_ a night on the town  
\_\_\_\_\_ involvement in physical activity  
\_\_\_\_\_ time with friends  
\_\_\_\_\_ some quiet time to myself

3. Do you agree (A) or disagree (D) with the following statements?

A    D    I'm basically too tight with money.  
A    D    My spouse (or parents) is basically too tight with money.  
A    D    Equality in family decision making is important to me.  
A    D    I feel good about the way financial decisions are made in my family.  
A    D    Sometimes I buy things I don't need just because they are on sale.  
A    D    I believe in enjoying today and letting tomorrow worry about itself.

4. If you had to make a major cut in your current spending, what would you cut first?

5. I'd like to see us spend less money on \_\_\_\_\_ and see more money go for \_\_\_\_\_.

6. What money problem is the most frequent cause of argument?

7. What was the most sensible financial thing you have done in your family?

What was the most foolish financial thing you have done in your family?

8. Do you know the dollar figures that go in the following blanks?

Family take-home income is \$ \_\_\_\_\_ per week.

Our monthly rent or mortgage payment is \$ \_\_\_\_\_.

Money spent on food each month is \$ \_\_\_\_\_.

9. Buying on credit is

\_\_\_\_\_.

*Source: Money In Your Pocket, University of Georgia, Cooperative Extension Service BUCS, Cornell Cooperative Extension.*

This publication may be copied for noncommercial, educational purposes in its entirety with no changes. Requests to use any portion of the document (including text, graphics or photos) should be sent to [NDSU.permission@ndsu.edu](mailto:NDSU.permission@ndsu.edu). Include exactly what is requested for use and how it will be used.

## For more information on this and other topics, see [www.ag.ndsu.edu](http://www.ag.ndsu.edu)

County commissions, North Dakota State University and U.S. Department of Agriculture cooperating. North Dakota State University does not discriminate on the basis of race, color, national origin, religion, sex, gender identity, disability, age, status as a U.S. veteran, sexual orientation, marital status, or public assistance status. Direct inquiries to the Vice President for Equity, Diversity and Global Outreach, 205 Old Main, (701) 231-7708. This publication will be made available in alternative formats for people with disabilities upon request, (701) 231-7881. 2M-4-03

## Additional Materials

**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](http://www.ext.nodak.edu/extpubs/yf/fammgmt/fe451w.htm)

**Sharing Your Personal Information: It's Your Choice**  
[www.ftc.gov/privacy/protect.shtm](http://www.ftc.gov/privacy/protect.shtm)

**Privacy Choices for your Personal Financial Information**  
[www.federalreserve.gov/pubs/privacy/default.htm](http://www.federalreserve.gov/pubs/privacy/default.htm)