Talking About Money

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

Unfortunately, severe consequences can result when money is not discussed. 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. 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, command or threaten can send the message that a person’s feelings or needs are not important and may make the individual feel fearful and submissive.
  Examples: “You need to spend less on food.” “If you don’t control your charging, I’ll cut up the credit cards.”

• Moralizing or preaching messages that tell what should be done often result in resistance.
  Examples: “You really should control the budget better.” “You aren’t putting enough money in your savings account.”

• Messages that judge, criticize or blame make a person feel inadequate, inferior or worthless.
  Examples: “Can’t you ever balance the bank account right?” “You bought that worthless piece of junk?” “OK, Genius.”

Ways to Improve Communications

Use “I” Statements
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” statements instead of “You” statements. “You” statements tend to be viewed as verbal attacks of blame and criticism. “I” statements focus on you and your feelings.

The three parts of an “I” statement:
1. “I feel…”
   Make a clear statement of how you feel.
2. “When…”
   Name the specific behavior that caused you to feel that way.
3. “Because…”
   Say why the behavior or event is upsetting.

Instead of saying this: “You never communicate with me about the big purchases you make.”
Try this: “I feel frustrated when I do not know about big purchases because I don’t want my debit card to be declined.”
Money Meetings

Money meetings for your household are a great way to set family financial goals and plans while clearing any miscommunications. These are scheduled, purposeful meetings between you and your family. Meetings can involve working through goal setting, drafting a spending plan and preparing an annual family financial statement. You will reach financial goals quicker if you are all working toward the same goals and not competing.

Using money meetings for your family money communications can provide opportunities for compromise. Some key points to remember for a successful money meeting are:

• Set a time limit
• Have a focus
• Schedule regular meetings

Remember to use “I” statements, avoid blame and treat everyone with respect throughout the meeting.

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

• How are your fees determined and how will I be billed?
• What is your educational background and what credentials do you have?
• What is your area of expertise?
• What types of clients do you usually manage and in what income bracket are they?

One final question that is helpful to ask is, “What would you like to know about me?” In response, a professional should ask about your risk tolerance, investment goals, current knowledge about investing and current investments.

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, we hope, 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 on the back 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 with your family members.

When Not to Talk

Personal financial information never should 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, never should be shared with others unless you initiate the transaction and are certain of the security precautions.

You may have received privacy notices from banks and other financial institutions about sharing your personal financial information. Federal privacy laws also give you the right to opt out of some of the sharing of your personal financial information. 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 that has a privacy policy with which you are comfortable.

Conclusion

Money needs to be talked about with clear communication and with people who are important to us: spouses, children, aging parents and financial professionals. Specific guidelines are available for establishing positive and healthy communication with each group.
### 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 ___________________________
   - $_______ for ___________________________
   - $_______ for ___________________________
   - $_______ 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?

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

9. 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 BUC$, Cornell Cooperative Extension.