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Communicating About Money – Financial Planning Series

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Issued February 1988

4 pages

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Communicating About Money

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\$ What is communication?

Communication is an essential part of any relationship. Through communication you convey thoughts, ideas, wants and needs. Without it two people cannot get to know each other and differences cannot be resolved. Communication is more than just talking to each other, it is also listening to each other.

\$ How do you communicate?

Communication is more than just talking. When you are truly communicating two other factors are involved—listening and body language. There are two ways you can listen during conversation. Passive listening is when you find yourself thinking more about what you want to say. Active listening is when you are hearing and thinking about what your partner is saying.

Listening Skills

What kind of listener are you? If you and your partner disagree, do you find yourself planning your defense? Do you find yourself selecting the type of listening that benefits only you? These are poor listening skills that can get in the way of communication.

When you are listening to your partner be receptive to what he/she says and put your ideas and feelings aside. Listen for the key point of the message and stay on track. If you need clarification, ask for it. Give partial acknowledgements to let your partner know you are listening. Don't think about what you are going to say, or you will not be able to concentrate fully on the discussion. Be careful not to criticize, argue or give too much feedback—this hinders your partner from expressing his/her feelings. Becoming more aware of your listening patterns can help you communicate better.

Body Language

Body language incorporates body position and body movement. These non-verbal forms of communication can inhibit or encourage communication. Get to know your own and your partner's body language. Learn to recognize different signs to help you understand what your partner might be feeling but not verbally expressing.

If you are relaxed, open and interested, your body position expresses this through sitting comfortably and erect or leaning slightly forward. Your gestures will be smooth and flowing, you will meet your partner's gaze easily and your arms and legs will be relaxed and comfortable. If you are discussing an uncomfortable subject, you may show anxiety and close off communication by tightly crossing your arms and legs or frequently shifting position. Your hands may be tightly clasped and your hand and arm movements may be tense and jerky. You may find yourself glaring at your partner or avoiding eye contact. The body language expressed during high anxiety times can inhibit conversation.

Learning how to use good listening practices and recognize body language will significantly promote better communication methods between you and your partner.

Choosing the time and place

Your surroundings and the time you choose to talk can also affect your communication. You will probably find it easier to discuss a problem at home than in a public place. Your discussions should be free from distractions, such as T.V., radio, telephone. You may need to set aside some time to talk so that your thoughts are undistracted. If you do set a discussion time, don't discuss only problems or you will avoid the situation. Talk about a range of topics: how your day went, what the children did today, the phone conversation you had with your mother, or how much you love your partner. Don't let frustrations build up, which can cause all communication to be cut off.

Responses

The following are some responses that hinder communication. Avoid these to promote open communication.

1. Ordering—Directing—Commanding

Giving an order—these messages tell a person that their feelings or needs are not important. ("I don't

think you need to spend that much on food.”)

2. Warning—Threatening

Telling the person what consequences will occur if something is or isn't done. These messages can make a person feel fearful and submissive. (“If you don't control your charging, I'll cut up the charge cards.”)

3. Moralizing—Preaching

Telling the person what should or ought to be done. People may respond to such “shoulds” and “oughts” by resisting and defend their posture even more strongly. (“You really should control the budget better.”)

4. Advising—Giving Solutions or Suggestions

Telling the person how to solve a problem by giving advice, suggestions, answers or solutions. A person receiving such messages may feel unable to make wise decisions. (“If I were you, I'd save that extra money.”)

5. Judging—Criticizing—Blaming

These messages, more than any other, make a person feel inadequate, inferior, stupid or unworthy. (“Can't you ever balance the checkbook right.”)

6. Name Calling—Shaming—Ridiculing

This can hurt the person's self image and result in discouragement. (“Okay—Smarty.”)

\$ Communicating about Finances

For many people communicating about finances is very difficult. They don't like to discuss their income or how they spend it. There are people who feel their financial status represents who they are. This is very frustrating to the person who has a group of friends with higher incomes. Often, people have put pressure on themselves to keep up with their friends' status. These pressures can affect relationships. Parents may also have expectations as to how their children should live.

If you have discussed your values and how you want to live you are more in tune with each other. But what happens if you can't live up to your plans? Each of you may feel the other is responsible for your lack of achievement. In reality there may be no one to blame. You need to discuss your financial situation from time to time. If you and your partner disagree about your financial plans or your present financial situation, you need to openly communicate and work towards an agreement.

Values play an important part in how you discuss your financial matters. In some traditional one income families, one person may take control of the budget, and values or financial matters are not discussed. The following examples may help you to learn to communicate more openly about finances.

Example 1

Each week, Tom gave his paycheck to Kelly, who then paid all the bills and gave him an allowance. Tom wasn't satisfied with the way Kelly spent “his” money, so frustrations developed in the relationship. Tom didn't feel he could just take away Kelly's responsibilities but he didn't like her method of budgeting.

Eventually, Tom started to forget to give Kelly his check right away and bills were paid late. Neither of them really saw what the other was doing. Once this problem was brought to the surface, they began to discuss how the money would be spent so they were both happy.

Example 2

Jack and Lisa learned how important it is to communicate about financial matters when Jack decided to return to school full time. The decision was not an easy one because it meant living on Lisa's salary.

Learning to be thrifty was an adjustment that didn't come easily. The most difficult change was Jack's feeling toward Lisa as the income earner. Each week Lisa gave Jack an allowance, which paid for his lunches, books and personal spending money. The plan didn't always work smoothly. If extra money was needed for food or bills, Jack's allowance was the first to go. Lisa wasn't deliberately trying to take from Jack, but it was the most flexible part of the budget.

Finally Jack and Lisa started to talk about the problem and decided they had enough savings to give Jack a lump sum for each semester. This way Jack was guaranteed his allowance and had a greater feeling of independence. He realized that if he had expressed his feelings to Lisa sooner the problem would have been solved sooner.

\$ Dealing With Differences

Many couples do not communicate about any of their financial matters. When communication is lacking, differences in values can put a major strain on a relationship. Remember, your financial situation affects both of you regardless of who earns income.

Two people will not agree on everything. To resolve disagreements about finances, talk about your values (Refer to Extension Bulletin E-1963, *Values and Money*.) Discuss, but don't argue. Where do you agree? Where do you disagree? Work out ways to compromise. This may help you avoid future problems. Then move to other topics: needs, expectations, budget, what investments to make; what to buy with savings, how much to spend on food, etc. The key is to remain open-minded, concerned and informed.

Sometimes, dealing with a problem may mean discussing it when you are both less sensitive about the subject. But this doesn't mean forget about it. If possible, set up a time when you both can calmly discuss the problem—without distractions. Sometimes you may find there is no good time and you must deal with it the best you can.

Discussing does not mean attacking. Don't try to dig up unrelated problems to get back at your partner. Keep in mind the reason and subject of your conversation.

\$ *Planning the Budget*

Communicating when you plan your budget is essential. Do you both agree to the spending plan? If only one person sets up the budget all the preferences may be in his/her favor. This may not be intentional. Planning the budget together helps both partners know how money is used.

After you plan your budget, one of you may want to take on the responsibility of paying bills. Otherwise, you both might assume that the other takes care of it and find that bills aren't paid. Sharing responsibilities helps to keep you both involved. Or, one of you may not want to be actively involved after the planning stage is over. Do what will work best for both of you as long as you both stay informed.

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Issued in furtherance of Cooperative Extension work in agriculture and home economics, acts of May 8, and June 30, 1914, in cooperation with the U.S. Department of Agriculture. W.J. Moline, Director, Cooperative Extension Service, Michigan State University, E. Lansing, MI 48824.

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