

# Talk About Money

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# 1. Reasons why we don't talk about money

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The more you open up and talk about money, even the really difficult conversations, the better your life and relationships will be. Bold statement, but I'll stand by it.

There are many reasons why we don't like to talk about money. A lot of people have been taught that money is an impolite subject, in the category of religion and politics. Some self-declare that they've always been hopeless with money, thinking that absolves them of trying. Just because they've been one way with money in the past, doesn't mean they have to be that way in the future.

Others say that life is too short to worry about money, and everything will work out anyway. Enjoying life is important, but your retirement investments are not going to take care of themselves.

Some are afraid of looking dumb or uninformed. Ok, you might. We all do at times. But with your finances, the sooner you deal with the situation, the better. Feeling dumb is not worse than credit card debt.

Very few of us love the idea of sharing our spending habits with others, and sometimes people in our lives are judgemental, it's true. But don't let them stop you from moving forward and taking action to improve your financial situation.

One of the more dangerous reasons I've heard for avoiding money talk is from people who say that their partner is good with money, so they don't have to deal with it. We all have our strengths, and separation of duties is efficient, but letting someone else look after the money means that you'll be uninformed and vulnerable if you find yourself on your own someday.

Even more dangerous and unfortunately not that rare is the quiet statement that "my partner doesn't allow me to deal with money". It's one thing to consciously let someone manage the household money because you prefer it that way, but if someone has deliberately taken away your financial independence against your wishes, this could be financial abuse. It's important to know there are things you can do to stop this.

Sometimes people fall back on a defeatist attitude that the situation is too bad, that they'll have to keep working forever. It's not too bad. It's not impossible. Everyone has been in challenging situations, and some have felt better right away simply by talking about their finances. Talking is the first step towards changing your financial circumstances.

Maybe your parents never discussed money, so it doesn't feel right to you. We all pick up habits from our parents, but finances, especially if there's a problem to fix, need to be talked about, regardless of whether your parents did or didn't.

Whatever the reason you've been putting off talking about money, the hardest part about tackling a difficult conversation is often finding a way to start it in the first place. It does get easier from there though.

A good place to start is by having an honest money conversation with yourself.

A healthy mindset is to consider today the first day of the rest of your financial future. Start with asking yourself where you stand financially. Ask:

- What do you have an ownership of?
- What debt do you have sole and part liability for?
- Does your own income cover your own expenses?
- What are your own financial goals and are your actions aligned with those goals?
- If not, what can you do or change to get on track to meet your goals?
- Do you have immediate problems you need to address?
- Are you worried about your debt or thinking you might need to go into debt?
- Are there actions you can take before you talk with others about money?

Once you've had a talk with yourself about money, you can more precisely identify the topics most urgent to bring up in conversation with a partner or someone whose finances are tied up with yours.

# 2. Talking to partners about money

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We all have different attitudes about money. You might be cautious and always saving your pennies. You might feel that money is there to be spent and that you can't take it with you. It's obviously normal to have different opinions about money since we come from different financial backgrounds. It's how we manage these differences that's important.

In reality, the odds are zero that any couple will agree on everything but working out what your differences of opinion are will lead to helpful compromise and make your finances less of a hassle.

With a relationship, talking about money can be an emotional issue, bringing back old concerns of control or bad experiences growing up. Money talk can be incredibly frustrating for both partners. One may think they are being nagged, while the other may feel like their finances are in danger because of their partner.

Avoid the blame game - Instead of throwing blame around, tell your partner that this conversation isn't about who is good and bad with money, but how you can achieve your goals together. This is particularly important if you don't want your partner to feel judged for their spending habits. Feeling judged leads to defensiveness, which won't help.

If there is a disparity in what you and your partner earn, you it could cause issues over time as small and big financial decisions come up. Communicating your needs early and often is a great way to minimise frustration and hurt feelings and pride.

Talk about whether you should be managing your money jointly, or separately - getting this right can avoid headaches and arguments over money. How you split bills and savings, etc. For example, if one of you wants to share bills 50/50, but one earns a lot less than the other, maybe you need to figure out which expenses you'll split in half, and which expenses you won't.

# 3. Talking to older parents about money

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While some people will be able to continue living in their homes, some will need the extra support offered by residential care.

Thinking about needing to leave your home is one of the hardest issues to face, so it could be an incredibly hard conversation to have. Leaving emotion out of it (wouldn't that be a neat trick?) can be difficult because of the huge life changes ahead - for you and your parent. Things you could bring up when times are good include:

Where would they like to live if they can no longer live at home?

Who might they like to make decisions for them if they no longer can?

What is their vision of how their end of life care will look?

Are they struggling with their finances? If so, what would they like to do about it?

Are they experiencing difficulties with their memory?

The main thing is, the sooner you talk about it, the better. Don't leave it to the point when your parent needs urgent care. The only choices available may not be what they really wanted, and this could make things more stressful for all involved.

Keep things general. Talk about others who have been through similar experiences recently relating to care and how they are dealing with it, the good and the bad.

You could talk about what you would want when you are older so that the conversation remains open and inclusive.

If you bring the subject up early enough, you can speak very generally about care homes. You can gauge your parents' wishes then, so you can act appropriately when the time comes.

If you have siblings, you might need a separate conversation on how to best work together to make sure roles and responsibilities for the care of your parents are clearly set out. If the responsibility falls on one sibling, which so often it does, they could easily get resentful of the others (surprise!), and those who aren't doing the caregiving could feel guilty for not being able to help out as much.

You may prevent relationship problems further down the line by talking about the possibility of the main care-giving sibling getting paid from family funds. This could reduce resentment and offers other benefits such as potentially allowing your parents to remain at home.

As we see people close to us getting older, we can start to worry about how they will make good financial decisions in the future, particularly if they lose mental capacity.

One of the most important conversations we can have to help our older relatives is to talk to them about how they would want decisions to be made about their property and finances, if they were no longer able to make them for themselves.

The best time to do this is when they are feeling fit, well and able to say what they would like to happen.

To really ensure your parent is protected in the situation that they lose mental capacity, you could bring up the topic of designating power of attorney. This gives a named person legal authority to make important financial decisions on their behalf. Waiting until someone has lost mental capacity before setting up a lasting power of attorney makes things much more complicated and can delay urgent decisions.

It's really important that you respect your loved one's views and make it clear that you are not trying to take over their financial affairs. This is delicate.

# 4. How to have a conversation about money

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You might feel stressed about the idea of having a difficult, or easy, for that matter, conversation about money. Often, these conversations are packed full of emotion, and you may forget the important things you wanted to bring up.

Preparing yourself with a few talking points might help you. There's no need to go overboard with preparation but thinking about these things beforehand will help a lot.

Consider when to talk. There's never going to be a perfect time, but you could bring up the fact that you would like to chat about something later, which allows them to make space in their day.

Also think about where to talk. It's best to find a place where you won't be disturbed. It might be helpful to stay at home where you may have useful paperwork, but then again, going for a walk, away from the home may be easier for others. Choose what works best for you.



You could practise the conversation. It's not theatre with lines to memorize but do think about the things you want to say and even say them out loud. Take it a step further and think about what the other person may say in response and come up with answers to that. If it's a really tricky topic, try to think of different potential scenarios, not just what you want them to say.

Sometimes it helps to start the conversation in a less direct way rather than asking them to sit down formally and bringing up the subject. Sometimes, knowing what your first sentence is going to be can make you feel more confident. Remember, a conversation goes two-ways, so make sure the other person is involved and not simply a listener.

If things get emotional, tell yourself you can express your anger or whatever at another time, but this conversation requires your mind to be clear and logical.

Try not to interrupt your partner. If you start talking over each other, it might turn into an argument. You might find this difficult, but the best way to work through this will be as a team. If you find one of you is interrupting the other, raise this as an issue and suggest some allocated time for both of you to speak completely uninterrupted. Acknowledge that this is an emotional topic and that it would be a good idea to set some conversational rules.

Being judgemental is only going to make the other person shut down. Avoid starting sentences with accusations, such as 'you' and keep it all about you, such as 'I think' or 'I feel'.

Stick with the topic at hand. Bringing up other issues and complaints isn't going to help you have a productive conversation about the financial matters you've identified. If you suspect this might be a problem, write yourself a list of things you can and can't talk about during this conversation.

By sticking to this topic and only this topic, the conversation will be easier for you.

Not everything is going to go to plan. If the person doesn't agree with you, ask what their reasons are and if you feel they have a point, say so. If you disagree, suggest how you can move forward.

If the person blames you, figure out what is making them frustrated without getting defensive and blaming them back. Are their comments justifiable? Are their comments simply shifting blame? Ask them what they feel you can both do to resolve the problem.

If the person is impatient or tries to change the topic, clarify your intention for the conversation. Express your understanding that it is a difficult conversation, while also highlighting that it will be easier to have it now than later.

Are there any other possible scenarios you think might happen? If so, write them down, along with a solution.

Finally, put a good amount of thought into how to end the conversation well. For example, in your situation, it might be important to somehow acknowledge that the conversation happened. Recognise that it was a tough conversation and highlight the positive things that have and will come out of it. There is a huge amount of value in expressing your appreciation that you were able to come together, discuss a difficult topic and even have the conversation in the first place.

Find ways to move the conversation forward. Be proactive in showing that you've taken the action steps yourself as a result of the conversation. Clear communication around next steps helps keep the healthy conversations going over the long term.

It can be useful to write things down. Maybe in an email or in a notebook that you can both refer to later. It's common for two people to remember conversations and action items differently, such that one of you thinks the outcome was one thing, while the other thinks something completely different. Writing it down can help you clarify points discussed.

Money is complicated. Relationships are complicated, whether with partner, parent or child. But breaking down what is one of the last remaining taboo topics and having conversations about money, will, it is my hypothesis, result in a more financially literate and healthy community.



# Get in Touch

Improve your financial situation today.

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