



Communicating About Money

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Money challenges affect every family, regardless of income, age, or level of education. While not having enough to cover the basics can certainly spark stress, it's often the conversations, or lack thereof, about money that truly fuel financial struggles. Imagine the difference that communication could make in transforming money from a source of tension into a tool for connection.

When family members have different values and attitudes toward spending and saving money, or when families strive for unrealistic goals, there is a potential for conflict. When family members do not “talk things out,” even the best spending plan may not work.

Communication among family members is not always easy, but it is essential if the goal is to get the most satisfaction from financial resources. In general, the more open the discussions about family finances, the better the resulting decisions.

Communications Guidelines

Preventing and overcoming money problems takes honest, open communication, along with time and effort. Arrange and plan regular family meetings to discuss finances, rather than waiting for issues to arise. Choose a location where interruptions are minimal.

Here are some suggestions for increasing the quality of communication about money matters in your family:

- Learning to understand family finances is something everyone in the family should be aware of, not just the person who earns the money. Family members, including children old enough to understand, need to make decisions about money together. Allow everyone to contribute to financial decisions. Family members will be more satisfied with the outcomes if they help make them.
- Clearly identify the issue. Avoid bringing up unrelated points that don't address the problem, concern, or dissatisfaction. Is the issue excessive spending, spending at the wrong time, or spending on something considered unnecessary or unimportant?
- Let each family member openly share his or her wants, needs, and feelings. Avoid judging or criticizing others. Promote communication by using phrases like “I think” or “I feel.” Focus on the present. Avoid statements such as “you always” and “you never.”
- Listen carefully to the other person. Respond to their statements by showing that you understand, or ask questions until you do.
- Be willing to negotiate for a realistic settlement of differences. In many cases, family members must compromise. Making a contract or written agreement may help avoid misunderstandings.

Values Affect Decisions

Begin discussing money by understanding one's personal values. Values are the qualities, situations, and material things that matter most to someone. They come from past experiences, current

circumstances, and expectations for the future. Some values and attitudes about money often trace back to childhood. Seeing a parent's attitude toward money, using credit, or "keeping up with the Joneses" can influence how a person views money. Was money a constant source of conflict - or maybe a topic that was never openly discussed?

Values influence decisions. How you spend your time and money shows what you value. Additionally, the goals you set reflect what you consider important in life. Answering the following questions can help you discover some of your values.

- Family: Do you want to have children? If so, how many? What type of lifestyle would satisfy you most? Are you prepared for the financial responsibilities of a family?
- Work: Are you satisfied with your job? Do you make as much money as you would like? How do you feel about both partners working outside the home? Are you willing to move for job advancements?
- Home: Do you want to rent or own a home? Can you afford to furnish your own home as you would like?
- Transportation: Can you manage with just one car? Would you be satisfied with a smaller car? Would you be willing to drive less? Would you be willing to join a carpool or use public transit?
- Recreation: What do you do for recreation? Would you be satisfied spending less money on recreation or hobbies?
- Future Security: Are you comfortable buying now and paying later? How important is savings? Have you started to plan for retirement? What provisions have you made to provide for your family in case of death or disability?

Living With Change

Change, confusion, and conflict are a normal part of everyone's life. Changing employment patterns and roles for men and women, along with uncertain economic times, have caused people to rethink how they earn and how they spend. It is easy for family members to be guided by messages heard from the world around them. Often, the results can lead to a

loss of understanding of what is truly important to each individual and to families as a whole.

Anticipating and managing change as it impacts how money is used can be a difficult part of financial management. Clarifying values, examining possible causes of money problems, and building communication skills can make money management a rewarding experience for the entire family.

Money Problems Summary

Most families face financial difficulties due to a lack of planning and communication. These problems generally fall under four categories.

- Value Conflicts: Choosing to save or spend, to buy life insurance or a new car, to pay for college tuition or stereo equipment—these decisions reflect personal values and potential conflicts. No two people have exactly the same values, but when there are sharp differences in values in a family, negotiation is vital. Dissimilar values between spouses will either result in each establishing different goals and priorities, or none at all.
- Unrealistic Goals: Attempting to achieve the same quality house, furnishings, and car that took your parents 30 years to attain can be a common mistake. Expecting unrealistic standards often leads to frustration and, worse, excessive debt. Prioritizing your goals, resisting the outside pressures of advertising and peers, and finding happiness in the "no cost" parts of life can help.
- Emotional Uses of Money: Buying status, friendship, or love; controlling or punishing others by withholding money; and overspending to get back at another family member are all emotional uses of money. When hidden meanings are attached to money and they go unrecognized, trouble brews. Strive to recognize and prevent emotional uses of money.
- Lack of Planning: Impulse buying with credit cards, daily trips to the store, inadequate health insurance, and low-yield investments all indicate a lack of financial planning. Setting new goals and seeking alternatives are necessary for successful financial

management. In times of inflation and rapid change, relying on old habits can be costly.

Guidelines for Talking About Money

Ask the following questions when talking about money with a spouse or another member of the family.

1. How do you feel about the way your family communicates about money?
2. Share your “ideal.” What would your situation be like?
3. Identify where you would like some help. Do you agree or disagree about the need for help?
4. What are the available sources of help?
5. Are you able to discuss another person's financial mistakes, such as overspending or making a large purchase without prior knowledge?
6. Are you able to talk about potential money problems before they happen?

Making financial decisions can be tough for every family. If you face difficulties making choices, these steps might help you find a suitable solution.

Step 1. Define the problem, be specific. List only one problem at a time.

Step 2. List ways the problem could be solved. Write down all possible solutions that come to mind. Do not judge their worth at this point.

Step 3. Evaluate each of the solutions listed in Step 2. Are they workable, practical, and agreeable to everyone involved? Can you combine several alternatives?

Step 4. Select one solution. Outline the steps necessary to arrive at this solution.

Step 5. What might stand in the way of reaching your goal? How can you avoid these obstacles? What are you willing to sacrifice to solve this problem? Whose support do you need?

Talk About Money Worksheet

The “Talk About Money” Worksheet is designed to give you more insight into your values and attitudes about money. It will also indicate some of what you know about your family’s income and spending patterns. Ask other family members to fill out the worksheet. Do not let the other person(s) see your responses until the worksheets are completely filled out. Then compare. Talk about points of agreement and disagreement. Can you see any difference in values and attitudes that may be causing conflict in your family? Can you pinpoint potential problems? Use the above information to help with your discussion. Download the worksheet by visiting this link: <http://www.udel.edu/0013860>

References

Adapted by Maria Pippidis, University of Delaware Cooperative Extension from Communicating About Money, by Mary Stephenson, University of Maryland Cooperative Extension and Money Mechanics: Communication, Pm-934b, March 1985, by Cynthia Needles Fletcher, Ron Jones and Jane Schuchardt. Iowa State University Cooperative Extension.

Financial Well-being Programs

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