

# TRAIN THE TRAINER: Financial Education

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*Improve your direct service skills with methods for teaching adults financial literacy.*

## **Webinar #2: Obstacles and Attitudes Around Money Management: What Gets in the Way**

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Sponsored by:

Massachusetts Financial Literacy Trust Fund

The Office of Massachusetts State Treasurer & Receiver General

Facilitator:

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# Purpose of Today's Webinar:

- Help your clients to identify and remove the obstacles that get in their way of achieving their financial goals
- Recognize that some of your clients' obstacles stem from their early learned attitudes towards money
- Provide you with worksheets and conversation starters on obstacles and attitudes around money

# Common Financial Obstacles

- Illness (unexpected or chronic) in the family
- Unemployment
- Divorce
- Unreliable car that always breaks down
- Inadequate child care
- Alcohol or drug abuse
- Depression or other mental health issues
- Rising medical costs

# External vs. Internal Obstacles

## **External Obstacles** (outside of us)

- Economy
- Conditions of the industry that we work in
- Health care costs

## **Internal Obstacles** (inside of us)

- Confidence
- Skills
- Feelings of self-worth

# Imposed vs. Chosen Obstacles

## **Imposed Obstacles**

- External in origin
- You have no control in the matter

## **Chosen Obstacles**

- Internal in origin
- You have made a decision that leads you to a financial roadblock

# Key Questions for Clients:

- Which of your financial obstacles are external?
- Which of your financial obstacles are internal?
  
- Which of your financial obstacles are imposed?
- Which of your financial obstacles are chosen?

# Overcoming Obstacles

Identifying obstacles is an important first step:

- If the obstacles are external or imposed, you must find ways to work around it
- You are in control of obstacles that are internal and chosen

# Overcoming Obstacles with Contingency Plans

You create a plan to deal with a problem before the problem occurs

- Examples: back-up child care phone list, bus schedules on hand for when car breaks down

# Key Questions for Clients:

Think about an obstacle that you overcame in the past:

- What were some ways that you were able to overcome it?

Think about your financial goals:

- What are the obstacles that could get in the way of achieving those goals?
- How can you plan ahead for those obstacles?

# Resources are more than money...

- Skills
- Tools
- Personal Qualities
- Relationships

## Key Question for Clients:

What are some of the personal resources that you have that you might use to overcome obstacles?

# Attitudes Towards Money

Which of these statements do you agree with?

“He who has the most toys wins.” OR

“Money isn’t everything.”

“A penny saved is a penny earned.” OR

“Share what you have; don’t be stingy.”

# What is money anyway?

“Money is any generally accepted medium of exchange.”

- We make an agreement with someone that goods or services are worth a certain amount and an exchange takes place

# Key Questions for Clients:

Everyone's ideas about money have been learned.

- What are some of the money beliefs that you were raised with?
- Who taught you those ideas?
- Do you still believe in them today?
- Do those past lessons influence how you manage your money today?

# Money Attitudes Worksheet

Can meet my needs	* * * * * * * * * *	Can't meet my needs
Have no plan for a financially secure future	* * * * * * * * * *	Have a plan for a financially secure future
Cautious with money	* * * * * * * * * *	Reckless with money
Lack confidence to manage my money	* * * * * * * * * *	Confident I can handle my money
Comfortable talking about money	* * * * * * * * * *	Uncomfortable talking about money
Pessimistic	* * * * * * * * * *	Optimistic
Hate my work	* * * * * * * * * *	Love my work
Feel guilty about money	* * * * * * * * * *	Feel I deserve money

# How did your father/father figure feel?

Rich	* * * * *	Poor
Miserly	* * * * *	Generous
Believed in you	* * * * *	Didn't believe in you
Proud of you	* * * * *	Critical of you
Optimistic	* * * * *	Pessimistic
Loved his profession	* * * * *	Hated his profession

# How did your mother/mother figure feel?

Rich	* * * * *	Poor
Miserly	* * * * *	Generous
Believed in you	* * * * *	Didn't believe in you
Proud of you	* * * * *	Critical of you
Talked about money	* * * * *	Didn't talk about mone
Optimistic	* * * * *	Pessimistic
Loved her profession	* * * * *	Hated his profession
Satisfied with her life	* * * * *	Disappointed by her lif

# Attitudes Towards Money

- Remember that money itself is harmless and neutral
- It is our values or attitudes towards money that give it power over our lives
- While we are the products of the environment in which we were raised, we have the power to change
- To gain control over our money and finances, we must adjust our attitudes towards money

# My Feelings about Money

	Less	More		Less	More
Accomplished	* * * * *	* * * * *	Hopeful	* * * * *	* * * * *
Alone	* * * * *	* * * * *	Isolated	* * * * *	* * * * *
Angry	* * * * *	* * * * *	Jealous	* * * * *	* * * * *
Anxious	* * * * *	* * * * *	Lucky	* * * * *	* * * * *
Competent	* * * * *	* * * * *	Out of Control	* * * * *	* * * * *
Concerned	* * * * *	* * * * *	Proud	* * * * *	* * * * *
Confident	* * * * *	* * * * *	Resentful	* * * * *	* * * * *
Depressed	* * * * *	* * * * *	Scared	* * * * *	* * * * *
Deserving	* * * * *	* * * * *	Self-Hating	* * * * *	* * * * *
Despairing	* * * * *	* * * * *	Shame	* * * * *	* * * * *
Distressed	* * * * *	* * * * *	Shut Down	* * * * *	* * * * *
Energized	* * * * *	* * * * *	Stressed	* * * * *	* * * * *
Entitled	* * * * *	* * * * *	Suicidal	* * * * *	* * * * *
Furious	* * * * *	* * * * *	Worried	* * * * *	* * * * *

## Key Question for Clients:

From your list of money beliefs, decide which ones might be holding you back from achieving your goals

What are some ways that you might change those beliefs or attitudes?

# Financial problems are frequently **solutions** to other personal problems

Example: Running up credit card debt to wear expensive clothes

- Real Problem: Need to appear high status or gain social approval from others
- Unintended Consequence: Wreaks havoc on personal finances

Once this is recognized *then* the client can focus on the real issue

## In Review:

- Our clients may present us with obstacles that hold them back from achieving their financial goals
- Those goals may be either external or internal
- Internal obstacles can originate from the unique values and attitudes about money that we learn as we grow up
- Understanding how we first developed our attitudes about money can be a starting point for adjusting those attitudes and developing strategies to achieve our financial goals

## Further Reading on Attitudes and Money:

***Your Money or Your Life*** by Joseph R. Dominguez and Vicki Robin (1992)

***Finding Paths to Prosperity*** by the National Endowment for Financial Education (2001)

***All Your Worth: The Ultimate Lifetime Money Plan*** by Elizabeth Warren and Amelia Warren Tyagi (2006)

***Predictably Irrational*** by Dan Ariely (2010)

***Financial Counseling: A Strategic Approach*** by Charles J. Pulvino and Carol A. Pulvino (2010)

***Bringing Money Into the Conversation*** by Amanda Mills and Syble Solomon (2012)

Questions?