



Consumer Credit Counseling Service
of Maryland and Delaware, Inc.

Helping people help themselves through Education, Financial Counseling and Debt Repayment

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MONEY MANAGEMENT: IT'S A FAMILY AFFAIR

BALTIMORE, MD – Research shows that personal finance has a strong impact on family relationships and can lead to conflict at home, particularly during tough economic times. In a recent *Money Magazine* survey, 83 percent of the couples surveyed said that money causes tension in their marriages, and 13 percent said they fight about financial issues several times a month. Left unresolved, financial disagreements can cause parents and their children to experience anger, frustration, and isolation. In some cases, money arguments may even lead to divorce. In a Financial Planning Association poll, nearly 40 percent of financial planners who have worked with divorcing couples report that money was a “key factor” in the couples’ decision to split up. If you and your partner frequently quarrel about household finances, here are a few steps you can take to promote financial security and money harmony at home:

- **Learn to talk openly about personal finance.** Don’t wait until your family is facing a major financial issue like unemployment to talk about money. Instead, schedule a calm, relaxed discussion with your mate now. During the discussion, volunteer your own feelings about pending money issues and encourage your partner to follow suit. If disagreements arise, avoid placing blame, making insults, or showing contempt. Listen closely to what your mate has to say, and try to understand his/her point of view. Find areas of compromise that you both can support. If you cannot resolve financial differences, agree to respectfully disagree and consider seeking help from an objective third party such as a church leader, financial counselor, or marital therapist.
- **Keep a daily spending journal.** Couples often argue over financial priorities and personal money habits. To gain a better understanding of where your money is going, suggest to your partner that you both keep personal spending diaries for a two-week period. During this time, keep a written record of how you spend every dime. Then sit down with your mate and review your journals: This discussion will help you appreciate how and why your mate spends money. You may even learn a few surprises about yourself. For instance, those daily trips to the coffee shop on the way to work are costing the family more than you thought!
- **Set up and stick to a family budget.** With your family’s help, make a list of all of the income your family can expect each month (salaries, child support, pensions, etc.) Then list all of the expenses you routinely pay (mortgage/rent, food, utilities, car expenses, etc.) To find out where you stand, subtract your family’s income from its expenses. If there is money

left over, discuss how to best use it. Consider putting a certain amount away each month to achieve your family's long and short-term savings goals. If you are left with a negative balance, discuss ways to save on expenses and reduce spending. Even small changes can lead to big results: According to neighborhoodlink.com, last year American families who used coupons to buy groceries saved \$5 billion.

- **Help your children gain financial skills.** To set a good example for your kids, learn all you can about personal finance and role model informed money decisions at home. Be open to their questions about how personal finance works. Also provide them with "real world," age-appropriate lessons: From an early age, give your children an allowance and use this as a tool to help them learn to save and spend wisely. On trips to the grocery store, discuss the difference between "wants" and "needs" and teach them how to comparison shop. Encourage older children to participate in family bill paying sessions. At school and at your local PTA, advocate making personal finance a mandatory part of the educational curriculum. The more your children learn about how money works now, the better chance they'll have for financial security and stable family life when they are on their own.

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Consumer Credit Counseling Service of MD & DE, Inc. (CCCS) is an accredited nonprofit agency that has served the local community since 1966. CCCS is dedicated to helping individuals and families resolve their financial problems. We promote economic self-sufficiency to individuals, families and communities through financial literacy education and counseling. For further information about our vision, values, and services, please visit our website at cccs-inc.org. Maryland State License #14-01, Delaware State License #07-01.