

# Helping People With Money Issues

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## THREE IMPORTANT KEYS TO SUCCESS

1. **You can't fix it**, and it's not helpful to fix it. - What is helpful is having someone take the time to listen and to teach a few basic skills and strategies in money management
2. **People don't share everything**. – Finances are very personal and rarely does anyone share everything about their finances, not even to their accountants.
3. **Trust in other people's ability to manage their own lives**. The person in your office has lived a long time with their money troubles. They have developed coping skills to deal with their financial situation. Trust that they also have the ability to improve their situation if they are motivated and that they can manage their money successfully. They will feel your belief in their personal ability to manage their lives. It will feel good.

## Steps in the counseling process:

### 1. Identify the clients concerns.

It is important to identify expectations and let people tell their story a bit. Be careful that they don't use too much time here. As soon as you think you have the jist of what they are saying, try to break in and tell them what you think they said. This gives them a chance to change any misconceptions you may have about their situation.

Sample opening statements:

*"What brought you here today?"*

*"What would you like to accomplish today?"*

### 2. Be supportive.

Support their efforts in coming. Recognize that seeking out help is a big step.

Sample supportive statements:

*"It took a lot of courage to come here today."*

*"It is admirable that you want to make some changes and are willing to seek out help."*

### 3. Ask if there was any situation that brought them here today.

You are trying to discover if there is some financial crisis going on, like a foreclosure, collections, pending bankruptcy, or repossession. If so, this is an opportunity to educate them on their options and rights.

Sample statement:

*"Did anything in particular make you decide to make this appointment?"*

*"Do you have any immediate concerns at this time, an emergency situation you would like to talk about?"*

*"Are you at risk of losing any property at this time?"*

**4. Clarify your intent and invite them to participate:**

You may need to do this often through out the session. You may need to invite them into the activity. Take a moment to get them to agree to your intent. This establishes that you are both heading in the same direction.

Sample clarifying statement:

*“I would like to write out a spending plan with you.”*

*“Would it be helpful to develop a spending plan?”*

*“If we look at the numbers we will have clearer picture of our choices.”*

*“Would you be willing to spend some time writing out a budget/spending plan?”*

**5. Clarify how they do their money management now and who does it.**

Sometimes people already have a budget you can work off of or expand on. If you are working with a couple and only one of them is taking responsibility for the money management, determine if this is comfortable for them or would they like support from their spouse. If they like the way things are now, don't fix what works.

If they would like this situation to change, give the person who participates a little or not at all with the money management, a small amount of responsibility so they can be empowered by being successful with their part.

Sample statements to clarify who is taking responsibility for the money management:

*“Tell me how your bills get paid.”*

*“Do you already have a budget? If so “How well does your budget work for you?”*

*“Who pays the bills? Would you like that to change?”*

**6. Determine if they are working with some other financial expert--a planner, credit counselor, or attorney.**

You want to be sure you are not duplicating efforts. Also this is a way to find out if there are other financial issues occurring. This information can identify resources that the person has available to them for later referral and perhaps uncover resources they have been using that have not been helpful.

Sample statements:

*“Are you currently working with another financial counselor or a credit counselor?”*

*“Do you have an investment advisor?”*

*“Have you filed bankruptcy in the past?”*

*“Have you ever had a vehicle repossessed or a home foreclosed on?”*

**7. Collecting the numbers.**

**a. Stay neutral. Try not to make suggestions at this time**

When you are collecting the numbers stay neutral and supportive. Make notes to your self to address certain concerns later. Do not distract people from gathering their data by making suggestions or offering solutions. People are very sensitive about their numbers; they will be looking for approval or disapproval from you. If they sense either of these they may fudge the numbers or leave out key pieces of information to make sure you approve or avoid any perceived judgments. If you sense the participant is feeling nervous about disclosing their numbers, disclose a personal tidbit that lets

them know you are human too, and have struggled with money management your self at times.

**b. When collecting numbers from a couple**

When I start a budget with a couple I give them each a budget to write on. If they disagree on amounts dramatically, I may ask them to fill them out separately first then go through it with them together so they can see how differently they perceive spending and come to some kind of consensus on the second draft.

**c. When a client when they have trouble establishing an amount**

Often people feel insecure about their numbers or if there are two people they may not agree on the numbers. If they feel insecure, I reassure them over and over again. Or sometimes I break the topic into steps to help them find an amount, or sometimes I will just say, “lets guess” then give them an assignment to track their spending. Even if they guess wrong I use the numbers they give me so it is their budget. They will figure it out later. You are just teaching them the tools.

Sample statements:

*“Lets just put down an average amount.”*

*“Why don’t you just guess for now?”*

*“Let’s break it down into smaller pieces, how often in a week would you buy...”*

**d. How to shift the focus when two people disagree on the amounts.**

If couples start to point fingers or blame, shift the conversation over to the numbers. If you suspect this is a marriage issue rather than a financial issue, make that known. If this is consistently disrupting the session, you may need to reschedule the appointment.

Sample Statements:

*“So you think you spend \$200.00 a month (first person) and you think you spend \$150.00 a month (second person)?”*

*“I am concerned that there is other issues here that may need to be addressed before we focus on your budget.”*

*“Perhaps today is not the best day to be working on a budget.”*

*“We can reschedule this session for another time.”*

**e. Additional Information**

After you collect the numbers, ask them if there is anything else in their life style that we would like to capture in their spending plan. Some items you may have missed.

Sample statements:

*“Do you have a travel plans in the future?”*

*“Are there any major events coming up like graduations or weddings?”*

*“Is there anything we may have forgotten to include that is unique to your life style, like chess club or sky diving?”*

**8. After you collect numbers, use the seven options to develop strategies.**

When you are finished collecting the numbers and figure out how much they are short each month, quickly move on to the 7 options (see attached). If the budget shows

some discretionary money after they pay their bills, I always ask, “*Does it feel like you have “\$\$\$\$” extra a month? “*

If not, they probably are not reporting accurate numbers, or are missing an expense item. If they are unable to figure this out, have them track spending for a while. As you go through the session have the participant make notes on assignments you may give them.

## **9. Ending the session**

The best way to find out what people retained or what suggestion they are most likely to follow is to ask them what they will do next. I am always surprised what is said here; often a gentle reminder of some of the other ideas discussed is helpful. A little is a lot. Reinforce that this is a journey and they did a good job.

Sample closing statement:

*“Considering all the things we talked about today, what will you do when you go home.”*