

MONEY HABITUDES – INDIVIDUALIZING STRATEGIES

Each of these women are single moms of two elementary-school-age children, working and earning the same amount of money, just enough to get by and save toward their goal of buying a house in a better school district. They are all committed to this goal and each has a spending and savings plan. On the surface they all look alike— they tithe to their church, owe \$4,000 in credit card debt and are paying \$300 a month for a car loan. Looking at their *That's me!* Money Habitudes results: (1) How might their dominant Habitude support or sabotage their commitment to their goal? (2) What would you want to know? (3) Knowing their dominant Habitude, how would that help guide your conversation and what strategies would you suggest?

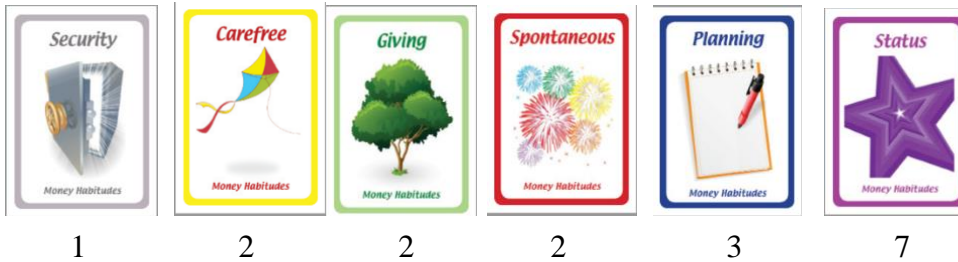
Mary



Jenny



Hannah



Pamela



Aliyah



THE TRAINER

Focusing on one strong Habitude at a time for people who look the same on paper helps staff and volunteers become more aware of their own assumptions. It also gives them a starting point to quickly individualize their approach. Thinking about a person from different perspectives leads to different questions and individualizing strategies for more success. Allow about 20 minutes and assign each group of two to five people to discuss all five women. Have them read the description and answer the three questions provided.

Ask them to keep in mind:

- Never make assumptions! When you see a strong dominant Habitude, look for the story behind it.
- Always be extra sensitive with the questions you ask and how you ask them so clients do not feel judged or threatened.
- In each situation, you don't know if your client has the basic skills to manage her money even though there have spending and saving plans. How you focus your conversation and training is important. If you treat them all the same, it's unlikely they will all be successful. Also, look at how that strong dominant Habitude may sabotage or support her reaching her goal and discuss strategies to address that.
- If she is not receiving support from the children's father(s) how might that be related to her dominant Habitude? (There may be many reasons for this but consider it from a Habitudes perspective.)

After they have finished their group discussions, debrief as a large group by discussing each of the examples and how they answered the questions. The following are some thoughts for you to consider and share that might add to the conversation when groups are sharing their debrief.

Mary: Strong dominant Carefree Habitude.

There may be a story about why she shows no interest in managing her money or actively avoids keeping track of it. She may be embarrassed that she has no skills and lacks the confidence to manage money. She may have experienced very difficult situations where having money is associated with abuse, shame, fear or other strong emotions. Or she may be in a relationship with someone who is controlling the money (responsibly or taking advantage of her) so she distances herself. Thoughts related to the strong Carefree Habitude:

- She likely can't account for the \$4000 credit card bill very well. It may feel like money just disappears in spite of the fact that she does try to plan.
- Ask about a time when she was successful in her life. Then ask for an example of when she has successfully managed money: paying bills on time, saving for something, putting something on layaway and paying cash to avoid more debt.
- If she doesn't have the skills and information to manage her money and track it, help her learn how to do that but keep it as simple as possible. Use as few numbers as possible. Round off numbers to make it easier. A simple, concrete strategy like using envelopes with money designated for different expenses may be preferable than online tracking.
- Counseling or a support group could be helpful if she has the skills but needs to work through her relationship with money so she feels confident and able to handle it.
- If she's not receiving paternal child support, could it be that she's overwhelmed? Maybe she needs help getting through the legal process and with follow-through.

Jenny: Strong Spontaneous Habitude

There may be a story about why she lives in the moment and has a difficult time delaying gratification. Often there is a reason for her not to trust the future and be focused on the present.

- She likely knows how she spent the money to accumulate \$4,000 in credit card bills, but looking back, she may regret, or even be ashamed of, many of those charges.
- Does she have the skills to manage her money? If not, she needs effective training.
- If she has the skills, but still reacts in ways that are sabotaging her good intentions, she needs strategies to slow her down or stop herself. Examples are: remove one-click purchasing from all online accounts, remove herself from online stores, groups and sites that alert her to sales and offer discounts for things she has searched or purchased in the past, only carry cash to meet her projected needs, only use one credit card when it's necessary to charge something (she shouldn't destroy the others, just put them aside where she doesn't have easy access to them), etc.
- When she spends and then later regrets it, ask who, what, where and when questions to help discover her pattern. And ask how she was feeling. Some people spend more when they are in a great mood or just got their paycheck and others spend more when they are sad, lonely, angry or upset. Help her develop strategies to recognize and avoid those situations and work on ways to handle them differently. For example, minimize times with friends who encourage overspending. Go home a different way to avoid passing sales signs at favorite stores or stopping for things that aren't needed. Come up with alternate behaviors for what she can do when she is feeling excited, really happy, sad, upset, depressed, etc. instead of spending money.
- Talk with a counselor to work through issues that may be sabotaging her best efforts.
- If she's not receiving paternal child support, does she have any recourse? Did she react too quickly and give it up or take less than it should be just to get to closure quickly?

Hannah: Strong Status Habitude

The Status Habitude means someone wants to make a positive impression—which is a good thing. It's when we care so much about what someone else thinks that we spend more to impress them than we can actually afford, we expect something in return or think that spending more money will cause others to love or accept us.

- What was the \$4,000 used to purchase? A very typical "status" behavior is buying things for one's children whether they are asking for them or not. Being able to get clothes, toys, the latest electronics, brand names, pay for extracurricular activities, etc. has a double purpose. It may make her feel like her children will think more of her if she is generous with them and she may feel like she is giving her kids an advantage. Also, purchasing things or giving financial support to family members, friends or a partner to make up for something that she feels guilty about for is fairly common (whether or not she actually has cause to feel guilty). Buying brand name items, getting the best seats, leaving big tips, picking up the tab for others are all typical when Status is involved. What kind of car is she paying off at \$300/month? (Tip: a car payment, on average, should not be more than 15% of one's income.)
- Maybe she knows how to manage money but is losing much of it by giving and spending in a way that creates debt that is not an investment in her future. Help her with identifying the difference between needs and wants. She may need guidance in how to shop to get the best deals, coordinate clothes to look good and spend less, plan birthday parties and prepare for the holidays so she can make a good impression while spending less money. Think about a Christmas Club account in order to save over the course of the year so there is no debt after the holidays.
- Talk with a counselor to understand who is involved when she cares about making a positive impression and why. She may need to explore her need to impress others and learn more productive ways to get those needs met.
- If she's not receiving paternal child support, was she still trying to please him by coming across as the nice person who was not demanding, or did she lack the self-confidence to

feel worthy of receiving the money or to ask for it?

Pamela: Strong Giving Habitude

Giving related to Money Habitudes focuses on the joy of giving. Some people may be motivated to give generously out of habit, social responsibility, family or cultural expectations or the expectation that by being generous there will be reciprocity and they will be taken care of by others when necessary. This generosity may not show up as Giving, but Planning, Status or Security.

- What was the \$4,000 used to purchase? Was some of that to give to others or because she didn't have enough money left after being generous with others? Seek to understand how much she tithes and what beliefs motivate her. Without being judgmental, discuss whether the amount is realistic or if she is going into debt, in part, because of giving more than is reasonable for her situation.
- Listen to who she gives to and what the situation is. Is she expected to help others or is that something she has taken on herself? Is she enabling others of be taken advantage of by others? How does she approach the holidays and events for her children? Is she able to receive from others and has she taken advantage of programs that could help her financially?
- She may need help with how to shop and give to others in ways that are more reasonable or how to plan who will receive her gifts (or money) and in what situations.
- She may also need help with understanding what giving means to her, learning how to say "no", feeling that she is also worthy of receiving and taking care of her own needs and accepting that even if she has good intentions, she is not responsible for fixing everything for everyone.
- If she's not receiving paternal child support, was she too willing to give it away to make life easier for the father?

Aliyah: Strong Planning Habitude

Planning is a good thing to do unless she sticks to a plan beyond its effectiveness and isn't open to opportunities and indicators that her plan is no longer working. Her \$300 monthly car payment is actually more than is required so she can pay off her loan faster. The \$4,000 on her credit card was mostly to pay for training in order to get a better job and to consolidate debt from multiple credit cards on one new credit card with zero interest for 12 months.

- Although she seems pretty savvy and committed, check to see if she really knows all of the basics of managing money and if she is aware of small differences in spending that could make a difference. For example, has she compared the cost of cable, phone, internet, insurances, and even her car loan to make sure she is not paying more than necessary?
- Transferring credit cards to a 12-month, no-interest card sounds like a good decision. Would it be better to pay off the credit card more quickly than to put the additional money into the car payment? Were there any programs that could have helped her pay for her training and did she explore if there were less expensive (but still viable and quality) ways to get that training?
- What kept her from not paying off the monthly credit card bills (beyond the training expense) and what other expenses was she putting on these cards? Look at her credit report to see if it's accurate and if she needs to develop strategies to improve her credit score so she will be able to get better rates for the car loan and when she's ready to buy her house.
- If she's not receiving paternal child support, was she so determined that she had a plan to make this work on her own that she didn't need or want his money?