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IN SIGHT for Oregon Lawyers

IMPROVING THE QUALITY OF YOUR PERSONAL AND PROFESSIONAL LIFE

CAN WE TALK . . . ABOUT MONEY?

Imagine this situation: Your spouse or life partner is also your law partner. Without a doubt, the two of you would have many things to discuss – kids, court dates or other deadlines, partnership politics, finances, in-laws, what to have for dinner, and the destination of your next vacation – to name just a few. Which of those discussions might be the most challenging for you and your partner/spouse? If you are like most people, it would be the discussions involving money. According to a recent survey by the American Psychological Association, 73 percent of Americans report that money issues are their number one stressor, ahead of work, physical health, and children.

Why Money Issues Are So Stressful

Money is at the core of our survival and success in contemporary culture. Money is infused with powerful and occasionally confusing emotions. Basic security, quality of life, status in the community, and future prospects are all impacted by the presence or absence of money. Many of us were raised by parents who had limited skills when teaching or talking about money. Most of us spent years in educational systems that offered virtually no guidance on personal finances. Each of us has our own financial history that shapes both hopes and fears and occasionally drives us blindly. Since all of these various ingredients get mixed together in the financial conversations with our financial partners, money becomes a loaded and stressful subject.

When and Where to Talk About Money

If you want to improve the effectiveness of your financial conversations, let's start by considering the time and location of these discussions. When I work with financial therapy clients, I encourage them to identify their Terrific Time Zones and their Terrible Time Zones. Most of us are familiar with our Terrible Time Zones at home: when one or both spouses are rushing out the door in the morning or just after returning home exhausted; when kids are underfoot, needing assistance, or wanting attention; any time technology disrupts our availability for attentive conversation, whether cell phones, e-mails, Web surfing, or television; and maybe worst of all, in the bedroom, when one person is falling asleep. There is a similar list of Terrible Time Zones at the office; it is a list of the common distractions that disrupt genuine attention and full concentration – the phone ringing, the sound of e-mail arriving in your inbox, your assistant or other law partner interrupting.

The Terrific Time Zones at either home or the office are remarkably important when two individuals talk about money. Woody Allen says that 80 percent of success is just showing up. The Terrific Time Zones provide the best opportunity for both people to show up for financial conversations. At home, the challenge is to figure out which specific times of day and week are free from distraction. Creativity is often required. Maybe it's Saturday morning or Sunday evening. Maybe it's a weeknight at a local restaurant. One couple had their meetings at the kitchen table and told their children to be quiet during these times.

With law partners, money talk can be

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scheduled as part of a larger meeting or can be an impromptu "got-a-minute?" meeting. Focused meetings happen all the time in a professional office, so sitting down with colleagues is not uncommon. The challenge is to use the focus of this meeting to address necessary and/or unexplored financial issues. You may need to put your phone on "do not disturb," turn off your e-mail sound alert (and anything else that beeps or buzzes), and close the door to your office. You may even want to block out some time on your calendar and let your assistant know that you are not to be disturbed, except for an emergency.

Access to Accurate Financial Information

Surprisingly, the absence of accurate financial information is all too common when people talk about money. This causes problems. Many disagreements are created when the individuals involved don't have the necessary data – or even access to the data – for an informed conversation. Slowing down and taking the time to collect accurate information can prevent and/or correct many misunderstandings. Also, it is not uncommon for one of the individuals to have a fuller understanding of the numbers being discussed. This produces a power imbalance. Each individual involved needs to understand the facts. It is impossible to arrive at a clear and equitable conclusion when one person is not up-to-speed about the numbers on the table (or the computer screen). Investing time and energy to develop mutual understanding is one of the most important ingredients for successful results in financial conversations.

A few years ago, I worked with one couple who told me their financial disagreements began when she stopped working outside the house to stay home with the children. Back when they had two incomes, they had independence and wiggle room in their financial partnership. With the income reduction, they were forced to talk about money more often and needed to manage it more effectively. The husband had been tracking their finances, but his system was too convoluted for easy comprehension (even for him). At our first meeting, it became clear that their partnership did not currently involve an open exchange of financial information. This couple had the best of intentions for working together, but their ineffective tracking system kept them separated. Once the problem was identified, they developed a mutually accessible tracking system and quickly created an effective financial partnership.

Mirroring and Summarizing

Two additional techniques that can be enormously helpful when talking about money are mirroring and summarizing. Mirroring is the simple process of repeating the exact words that the other person has just spoken, and then confirming accuracy ("Did I get it right?"). At first this may seem tedious or too simplistic. However, it is the quickest way to catch misunderstandings right when they occur. Mirroring the exact words that were spoken provides accuracy and emotional neutrality. Summarizing serves a similar purpose. By restating our understanding of what the other person has just said, we give that person an opportunity to correct us if we got it wrong. Eliminating errors at the source will reduce confusion and the potential for hurt feelings. As we all know, financial conversations can become emotionally charged. Anything we can do to keep these conversations grounded in consensual reality is always beneficial.

A simple five-letter word, "money," has different meanings for different people. These differences operate below the surface in virtually all conversations that touch on the subject of money. At one presentation with a group of about fifty people (college-educated, most with graduate degrees), I asked: "What does 'money' mean to you?" The divergence in this seemingly homogeneous group was noteworthy. After the presentation I analyzed the answers; they sorted themselves into two columns. Here are examples from column 1: privilege, power, control, war, chaos, capitalism, havoc. And from column 2: happiness, freedom, security, choice, options, access, balance. From these two lists, can you see why people might have financial misunderstandings? Mirroring and summarizing are simple techniques that help verify mutual understanding when we talk with financial partners.

Improving the effectiveness of our financial conversations requires a bit of work, possibly developing new skills and definitely eliminating habitual distractions. Talking about money is serious business. . . whether at home or the office. Paying attention to the time and location of these conversations, developing transparency and equal access to financial information, and communicating with clarity are proven techniques for upgrading the quality of everyone's financial conversations.

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The author is a licensed professional counselor and financial therapist. Earlier in his business career, he was a partner in an investment management firm, the owner of a personnel agency, and a member/broker at the Chicago Board of Trade.