



## **Let's talk About Money: Managing Your Financial Reality**

“Money makes the world go around.” “Money is the root of all evil.” “Money talks.” “A penny saved is a penny earned.” “Money can’t buy you love.” “Show me the money!” These are just some of the many well-known and universally recognized quotes about money and its power. Money, or the lack of it, has profound and powerful implications for each person and its impact covers so many areas of one’s life. Money affects your ability to meet the most basic needs for food, shelter, and survival, but also influences your self-esteem, power, status and access to life’s vast opportunities. Money and wealth are attached like a web to many critical needs, wishes, and feelings and as a result can be a very loaded topic to face or discuss openly. Talking about money is one of the most private topics for even the closest of people to discuss.

Your access to money and your relationship to it affects your ability to care for your needs and carries with it powerful and deep feelings when those needs are deprived. We rely on money to meet our most basic needs for survival and when money is not available, all your attention and energy is focused on just surviving. When operating in survival mode it is far more difficult to see beyond, toward new horizons in pursuit of growth. Lack of finances can also affect access to opportunities and can significantly limit one’s vision of greater opportunity ahead.

The topic of money can trigger many unique and personal reactions and beliefs regarding those that have money and those that don’t; a person’s independence or dependence, as well as one’s worth or value and what this means in terms of their personal character, intelligence, and willingness to work. Many of the beliefs each person has about money are related to culture, inside and beyond your family of origin, and the financial experiences you had growing into adulthood. Money can play a role in how equal or valued you see yourself in your intimate partnerships, among extended family or friends and socially in your community neighborhood life.

Just like human sexuality, money and financial status is attached to such powerful drives and feelings that it is often consigned to a place of privacy and silence. Direct and open communication about money takes practice. Particularly when you may be struggling to keep up with your financial obligations, money talk can easily be pushed to the back burner, hidden, or ignored. This denial, avoidance and secrecy while understandable, is a huge barrier to break through if you want to be empowered to manage your finances.



The beliefs you developed during your upbringing, probably significantly influence your current approach to money and your spending behaviors. For example, did the person bringing home the paycheck wield all the power in your household? Did you observe others frugally saving to get ahead or impulsively spending any extra for some pleasures? Did money saved or spent provide status or did your lack of money result in you feeling trapped and ashamed? Was money a topic of conflict, worry, indulgence or happiness? How did people get their money and what story did you learn from that? Did your influences inherit money or work themselves to the bone just to get by? How did the people in your life use cash? What kind of stewards were they? Did they save, provide for others, or generously share? Maybe you saw money squandered, or selfishly hoarded.

It helps to be aware of these undercurrents or early influences because these experiences may still unwittingly or unknowingly be influencing your relationship to money and how you use it. It may also be influencing how you relate to others in terms of feeling empowered or dependent, in control or without any control over your financial status. Your history can contribute to how you spend and for what, if and how you save, and how you generally prioritize your finances based on what needs are most important to you. Sometimes old influences or beliefs can keep you stuck, reacting automatically based on beliefs you developed growing up without really figuring out what is most important to you now. So, understanding these influences can help you sort through the beliefs, work with them, and make a clear, wise decision for your best interest.

Here is a common example: if you grew up in a household where the one spouse stayed home and managed the housekeeping and childcare while the other spouse went off to work each day, you may have come to believe that the homemaker has no real power in making decisions about the finances. When you consider the quote, "time is money" just take a moment to add up the labor costs of organizing and providing care of the home, children, caring for an ill loved one, and the number of hours you have dedicated to these tasks and figure out what your real financial value truly is. You may now recognize that despite this early experience, you can re-evaluate these labor contributions as an equal household or family partner, deciding together about finances and seeing the income as shared income for each person's contributions.

While these imposed or automatic beliefs about money from your early years can still influence, you can be aware, challenge and reflect upon them so you can decide for yourself now how you want to be empowered to view your financial choices and decisions. Your history can automatically influence decisions on how you spend, save,



and manage the money that you have, and how you prioritize the funds to meet your needs, but you can change and decide what works best for you now.

Why are we exploring this topic of finances for the caregivers supporting our Veterans? Many caregivers have given up their jobs working outside of the home, to care for the Veteran and have lost that valuable income. We know that financial insecurity plagues many who are living with disabilities, especially those in rural areas. Many caregivers and Veterans are on fixed incomes and are challenged by unexpected medical bills and expenses that eat into their financial landscape. Also, many caregivers become dependent on the Veterans income to support them, which can be experienced as a loss of independence or power in the decision making as a result. Dependence on a partner's income can present difficulties when sorting out each person's contributions to the relationship and managing the finances.

Remember, caregivers: "time is money." If you are wondering about the value of your investment, think about what your time is worth. What would it cost to pay for a professional home health aide for all the hours that you invest in your caregiving. Empowerment means taking ownership for all that you contribute and recognizing the value of what you contribute to the good running of your household.

Money is powerful, but it's critical to also recognize the power that you give it and to recognize the power that you have in managing the decisions that you make with it, even in partnership with others. Do you see yourself as a responsible steward of your financial life? We hope to explore and support your empowered role in taking the reins of your financial situation, so that whatever your finances, you can move forward feeling a bit more in control and personally empowered.

Bottom line, money can have a major influence over your needs being met and it can impact your overall happiness. There is no getting around the fact that having it, or not having it, has a significant impact on your health, security, real security, the choices available to you, and your ability to plan, think ahead, or make more of it.

There is a popular saying, "money can't buy you happiness." Well, researchers found actual disagreement with that notion because money can buy some happiness. Having money affords one access to many of life's great pleasures such as having a beautiful home, travel, foods, reliable cars, jewelry, clothing, sharing with others, relaxing, having fun or participating in interesting events and activities.

There is no denying that being deprived of opportunities to enjoy these life pleasures is a major source of pain to many. If you are challenged by financial



insecurity or significant limits on the money available to you, this has the potential of diminishing your degree of happiness. It is only fair to recognize that money does buy some measure of happiness and those who are deprived or have limited incomes are going to be much more challenged to find ways to fulfill needs for pleasure.

So, this is not to say that if you have a lower income that you surrender all ability to experience happiness. Studies have found that those living in poverty were much more apt to rely heavily on social connections as a source of happiness and meaning, were more apt to find happiness from fulfilling personal values and deep spiritual and social connections developed over a lifetime instead of through short term needs and pleasures.

In poverty or not, socially active people are much more apt to be happy people as opposed to those who are isolated. Research has also found that having money doesn't provide the fulfillment and sense of meaning that comes from investing in your deeper values and goals. In fact, some people who achieve or who inherit great wealth are unable to find meaning or fulfillment in their life despite their wealth. Meaning may be cultivated through the social bonds that you maintain and in the work or personal values and activities that you invest in.

While research shows that there can be meaning and fulfillment when finances are lacking there is no getting around the fact that it is difficult feeling deprived and upset that you cannot spend on the things you desire. Poverty or lacking financial resources is painful. Your stress, when you can't pay the rent or if facing foreclosure on your house, is painful. Lacking money to obtain adequate food for yourself or your family is stressful and especially painful when you are personally hungry. Unexpected or costly medical bills or prescription co-pays are stressful and amplified by the pain of injury or illness. When the health conditions you or your loved ones' face cost you your job or eat up your savings, you may experience painful set-backs. There is no sugar coating the very real and painful challenges of financial insecurity or poverty.

Financial stressors and poverty do not completely strip you from the opportunity to be an empowered person when it comes to managing your financial situation. However, when money is tight, it requires a far greater capacity to tolerate feeling deprived and requires tremendous skills of being resourceful, creative and brainstorming solutions to problem solve. Getting to a place where you can actively feel empowered requires a degree of acceptance of the realities at hand and with that acceptance, a large dose of patience and problem solving.



It is difficult to change any life situation until you come to some recognition and acceptance of where you are at in the first place. Avoiding or denying your financial reality will not make it go away and this denial diminishes your ability to make wise decisions that can empower you. There can be great satisfaction from facing reality even if it is difficult, and this sets you up to begin to take back financial control.

It takes restraint and discipline to make wise financial decisions when you are feeling deprived. Those on fixed incomes can't afford the luxury of impulsive spending because the consequences of one wrong move can make the difference between a roof over your head or food on the table. It takes much more resilience, patience and creativity for those who don't have the benefit of a good stable income. Empowerment is not only for those with stable incomes, but can begin at any point, and starts with an honest recognition and acceptance of where you are at right now. You cannot come to a place of empowerment, especially when you are challenged with poverty, until you can face with courage and acceptance, this is where you are at now.

Next let's reflect on the issue of empowerment when it comes to your finances. How do you get to a place of empowerment? Empowerment may seem impossible when you are relying on another's income for your financial needs. It may seem difficult to achieve if you're over your head in bills or your income is fixed and limited. It may feel difficult to feel empowered when you are dependent on government systems to provide benefits that may change or may not arrive on time. It may feel difficult to be empowered when retirement savings and investments vary with the changes in the market or are depleted by life circumstances.

One thing you can always expect is that life is full of changes and this is also true of your financial situation. The same skills that you need to navigate life challenges successfully are also similar when seeking a degree of empowerment with the financial challenges that you face. Some of the most critical skills in facing any change or challenge include: facing the situation honestly and squarely, coming to a degree of acceptance for what it is in the moment, honestly recognizing your feelings and needs and being able to communicate them, reaching out for help, and active brainstorming and problem solving.

You can gain a feeling of empowerment when you plan for the future or for those emergency moments that are bound to occur. Whether it is cutting down on expenses, living within your means, seeking good guidance or creating new opportunities to earn money, empowerment can occur even in the most difficult of financial situations



because you are taking ownership of your finances and that, in and of itself, will feel empowering and positive.

What is your financial situation? Are you financially secure, or scraping to survive? Have you been able to make and save enough money to feel relatively secure? Do you rely on a loved one's income and does this leave you feeling unequal or unempowered? Do you use your money wisely or have you made financial decisions that were not well informed or responsible? Have credit cards made it too easy to spend beyond your means? Are you denying your financial reality and not facing your bills or accepting the limitations of your income? What is your current financial situation? Do you accept where you are right now or how would you like to change? Do you feel in control of it or is it in control of you?

These are difficult and powerful issues to reflect upon, negotiate and discuss. Honestly facing your financial situation is a critical first step towards taking an active role in managing your financial reality. Taking ownership and responsibility for your financial situation is facing where you stand now. Ownership requires facing your debt, your savings, your dependence on another, and whether you have planned for your financial future, or not. Taking stock of where you are now is one of the most important tasks in beginning to take responsibility for your own financial status. Recognize the degree of control you have in financial decisions, and what knowledge or control you share.

Now, giving financial advice doesn't necessarily correlate to making needed changes. Managing finances is not unlike how you manage other important needs. Maybe you seek the pleasure of charging up your credit card with a desired item because you don't want to be deprived just as one may struggle to deny eating junk food or overdo the number of drinks you have out with friends on a Friday night. Taking responsibility for managing your money is a behavior that represents lots of complex needs and feelings. The knowledge may be helpful, but it doesn't mean knowing something equals changing a behavior. Understanding and addressing what is driving your behavior has the best probability of resulting in smart changes. What are the factors that are contributing to your personal behaviors with money?

One of the first steps that many financial advisors recommend is taking stock of one's finances with a detailed accounting of the black and white numbers. This important step can often be met with some resistance. You may not want to face the reality of your financial situation. You may say I know where all the money goes, no reason to bother writing it all down. You may feel that looking closely at your finances would be too depressing or overwhelming. But, bottom line, this is where you need to



start. Where does your money come from? What specifically do you spend your money on? What have you saved?

Have you ever really tracked it? Do you get to the end of the week or month and wonder what happened to your money? The written calculation is helpful because you can easily lose sight of the many small ways that your income gets eaten up. If you don't know exactly where your money goes you won't be empowered to make conscious decisions about how you spend it moving forward. Money often seems to disappear, so pay attention to the morning coffee drive thru, eating out at restaurants, your kids' or grandkids' activities, haircuts, gift giving, the many small ways that money leaves your hands with barely any detection.

Get a sheet of paper or a budget worksheet and begin to describe and list your financial picture in black and white numbers. The VA Caregiver Web site, [www.caregiver.va.gov](http://www.caregiver.va.gov) has a worksheet, or you can find many different examples of worksheets on the internet. Document all the money that you have coming in from all your sources of income, your employment, social security, retirement, Veteran disability or caregiver stipends, child support, or any extra income from other sources or jobs.

Next, review your bank statements for the past couple of months and capture all the expenditures that are identified in that monthly bank statement. Make sure to document all the ways the money goes out. Identify both the fixed bills like mortgage or rent, food, car payment, student loans, insurance, water, gas and electric, cable, phone, internet and all your variable spending such as, credit card payments, personal care items, household supplies, healthcare copays, medications, clothing, and entertainment. If you review a couple of months of statements, you will be more assured of capturing all your expenditures. Keep in mind, there are bills that only come intermittently like a yearly tax bill or other intermittent expenses.

When you track your spending don't forget to track any and all of those ATM cash debits from your account because this habit is often behind the mystifying money that just seems to disappear, and you want to capture a clear picture of where this money is being spent, how much and why.

Once you document money coming in and how money is going out, review this information to reflect on the decisions you are making with the money that you have. Notice where are the dollars going and pay attention to all the little hidden ways that money is leaving your pocket, including interest on lines of credit, bank overdraft fees, late fees on past due bill invoices, entertainment subscriptions, mobile phone contracts and data, home internet and cable plans, trips for a morning coffee, buying lunch at



work instead of bringing something you planned ahead, any restaurant meals or drinks with friends. Include the money that you spend on gifts for yourself or others or the money that you use to travel or pay for entertainment. Don't forget the costs of maintaining personal transportation like auto registration, insurance, routine maintenance, repairs and fuel. Document all of it.

Is there a deficit when you begin to look at the money coming in versus the money going out? Where do you even start? This is where the tough choices begin regarding what is a need and what is a wish.

In this process of reviewing your use of money you are going to have to look at your relationship and habits with credit cards. Credit cards can be convenient and a productive way to establish your credit however, they also provide a plastic and false experience of money. How different would it feel to you if faced with a purchase that you used only cash; would you be more cautious? Credit cards make it so much easier to buy impulsively and to not actually face the ramifications of the expense until it is already made. Where do you stand with the use of credit cards?

Have you found that you have gotten in over your head with the use of credit cards or have you enjoyed their convenience and paid the balances in total each month? Are you in credit card prison, unable to keep up with payments or making minimum payments at high interest rates? Are you aware of the amount of money that is flying out the window in interest rate fees? Do you use credit cards to your advantage paying off each month, avoiding interest rate fees, securing improved credit scores and reward points towards future purchases or are you getting buried in debt beyond your capacity to manage? Credit cards used wisely can be an advantage, but they also can tempt you into impulsive spending and tempt you into living beyond your means.

Don't ignore those late credit card bills as late fees and interest charges can turn a small debt into an overwhelming one if ignored. These companies are often happier to get some return on their investment than if they are ignored or unpaid, so request extensions or payment plans. One national survey found that 56% of consumers that called credit card companies to ask for a lower rate had positive results. Talk to the representative or talk with their manager if you can't get results. Be polite and give them a low-ball estimate of what you can pay each month to get caught up. When behind on credit cards, many advisers recommend that you tackle your highest interest rate card first. On the other hand, some studies show that people are spurred on by the success of getting rid of a lower balance card first. Whichever way you decide, the key to financial freedom is that you tackle it.





Once you have reviewed your fixed or monthly bills identify any bills that you are behind on and develop a plan or strategy to address this. Prioritize your bills and start working on the highest priority first. Your rent or mortgage should always be a priority to assure that you don't lose your place to live. If the money coming in is less than what is needed to take care of your bills, then you are going to have to make some difficult choices that may require exploring many strategies to address your current financial situation. What can you honestly cut to gain greater financial stability? Let's now explore ways in which you may find savings and cut out or reduce unnecessary costs.

Consider first exploring if or how you can cut down your expenses for housing. Is your mortgage or rent eating up too much of your income? Can you downsize, share living arrangements, take in a boarder? Maybe you can move to a different or less expensive neighborhood, refinance your mortgage at a lower rate, or renegotiate with your landlord for reduced rent for providing maintenance or upkeep.

Are you making the most of the money you spend at the grocery? Are you letting food spoil, making impulse buys at the grocery, buying a lot of packaged foods, or unnecessary snacks? These are areas to address when making the most of the money you spend on food. Plan for your necessary meal ingredients and make a shopping list to prevent impulsive overspending, then stick to your list. Many public markets provide cheaper access to fresh fruit, and vegetables. You can often negotiate prices with vendors at markets especially if you check them out at closing time when many vendors are looking to unload their goods more cheaply. Buying in bulk at your local public market and cooking and freezing in quantity can cut costs and provide the health benefits of eating unprocessed, more healthy food. Consider augmenting your food budget by growing a garden or contributing some sweat equity to a community garden, if you can. Not only will you benefit from the fresh air and exercise, it can be a great source of pleasure and satisfaction to see, eat, or share something that you personally grew.

Check out how you might cut down on your utility costs. Can you go on budget billing for utilities, so it is stable throughout the year and not plowing you under during high use months? How can you conserve on utilities by turning down the heat and air conditioning and turn off lights when not in the room? Review the facts and see what can be changed.

Ask yourself, what are your wants and what are needs and determine which ones you could cut. Are there monthly bills that you could cut, at least while you are trying to get your head above water like a gym membership, cable or internet, dinners out, or cell



phone use? Ditching cable costs each month and subscribing to a streaming service instead might also save significant funds each month.

Look at some of the many ways that you may conserve that add up over time, like stopping that morning coffee run, or ordering food delivery. Changes in these behaviors can really make a significant difference when you look at how they add up over time.

Look at your spending habits and examine the ways in which you are most prone to unnecessary spending. Do you spend on unnecessary items at the grocery store or is your weakness spending on a fancy new car when a used economy car would be more appropriate? Do you spend too much on others or in gift giving? Remember it's the sentiment that means the most, so look to cutting the cost and putting more heart into your card. Are you heading out to be at the mall just to look but always end up coming home with an unexpected package? Consider staying out of the shopping malls unless going for a planned-on item or change the places where you shop like checking out second hand shops, garage or estate sales where items are far less costly. Pay attention to the spending weaknesses and cut yourself off at the pass.

Some spending habits are driven by an internal need and can be harder to cut off without a clear, mindful decision, some effort, and maybe professional support. Habits such as heading out to the nearest casino or excessively buying lottery tickets in the hopes of rescuing you from your financial mess can result in only digging you in deeper. Compulsive habits such as drinking alcohol, smoking, or drug use may be burning a hole in your pocket while also having a negative impact on your health. Are these potential areas you may want to tackle, cutting out spending so that you might kill two birds with one stone: improving your health and putting those dollars back in your pocket?

Identify where you are prone to spending unwisely. This awareness can help to deter you from making these mindless and expensive choices. It's not that we all don't want to have a splurge or that you can't use money for pleasure, it is just important that you are making these decisions with your eyes wide open. When you are making mindful conscious decisions about how you spend your money it will be much more gratifying than when you mindlessly spend, and you are left to deal with the regret afterward. If you recognize any behaviors as hard to stop or compulsive, like addictions to some substances, please reach out to find some professional help from a mental health provider.



Sometimes you may need to consider the possibility of bringing more money in to address your financial obligations. Look at ways you might bring in more money to meet your financial needs. You could explore the possibility of asking for a raise, or maybe taking on extra duties at your job to increase your pay. You might consider a second job or doing odd jobs like babysitting, dog walking, online work from home or gardening. If you have a special skill or talent, consider teaching or tutoring for extra cash. There may also be luxuries or quality items that that you no longer need and can sell for some extra money to come in. When you find yourself facing a deficit each month the hard truth is that something has got to give.

So, when facing the budget sheet head on empowerment comes with cutting down costs, maybe cutting out some extras, negotiating with debtors, and considering how you might bring more money into the mix. Next, let's look at when your financial situation is shared with a spouse or partner.

Many couples struggle to negotiate financial decisions and shared obligations. Money plays a significant role in our intimate relationships and some psychologists report people would rather talk about anything, even sex, before talking about money. Money can also play a significant role in relationships breaking up. Given the resistance to talking about finances openly and its potential for conflict, it is critical to work towards opening the communication so that it doesn't continue to build a barrier or act as a source of conflict.

Honest and fair communication is critical when managing joint funds or meeting joint obligations. Some couples decide to keep their finances separate to avoid conflict by just keeping a joint account for household bills. There is no right or wrong way to manage your money as a couple. However, it is wise that you are both aware of each other's financial status and obligations, particularly if married, as individual finances can legally impact the partner. It is especially critical to discuss financial decisions and understand how to manage if your partner is not able to manage themselves.

If you are dependent on another's income for your livelihood which many caregivers may be, it is going to be critical that you can openly discuss your feelings, needs and opinions about the financial situation. Recognizing and facing your financial dependence may also challenge you to explore if or how you could be more financially independent.

Communication is such a critical need for couples who share incomes. Some suggestions that may help in managing these discussions are to find a neutral time and place to explicitly talk about money. Consider making a specific time to talk when you



can both approach the topic calmly. Spend a little time talking about your feelings about money and what your hopes or expectations are. Try to think about and understand, as we spoke about earlier, how your past early experiences influence your feelings and priorities and explore the influences and values of your partner.

Discuss how you each may handle money differently and how you may negotiate handling money together moving forward. What are your individual goals and what are your goals together, as a couple? Listen and try to understand each other. This is the most important piece as this understanding will go a long way when trying to compromise or meet other's need. Remember partnerships always will bring differences and will always require compromise if they are going to work successfully. Talking about finances may feel difficult but if you both come to the discussion calmly and willing to listen and negotiate fairly, compromise and progress can be achieved. If these discussions lead to conflict, consider getting some help negotiating this topic with a counselor or a financial advisor.

Another financial area to consider is how you can plan and save for the future. Thinking about saving for the future can end up on the back burner especially if you are struggling just to make ends meet. The budget strategies we have suggested may help move you closer to having your head above water and provide a bit extra cash to work with to consider saving. Remember though, every little bit you can put aside can build a small cushion over time. It takes real restraint or diligence to set aside money when money is tight, but it is especially important to consider when money is tight because one blown tire, or unexpected medical bill can really set you back without a fall back plan.

Most financial experts talk about having enough to cover your bills in savings for six months but for some that just feels impossible to achieve, so look at what little bit you can add to the cookie jar in case of emergency and use it for real emergencies only. Consider taking out your emergency money automatically and putting in a savings account that you don't touch. Take advantage of employee retirement programs to begin saving for the future, especially taking advantage if your employer is matching your contributions. The best way to save is to do it automatically before it even reaches your hands. That way you'll be more assured of growing a retirement or emergency fund.

Finally, look for ways that you can have the happiness that you deserve despite the status of your wallet. While it may be easier to have some of your needs met when you have access to extra cash, it doesn't mean that with some creativity you can't get



those needs for pleasure and happiness met. Plan for some regular pot lucks at your house to socialize when friends or family can contribute. Remember that staying connected to others and to your community will increase that happiness quotient and it's free. Oftentimes churches, Veteran or civic groups are other places to connect with others to share a meal or celebration. Get outside, head out to a park or playground with the kids or just watch kids playing to lighten your spirits. Get some exercise, you don't have to join a gym to stay healthy. Check out your local library or community papers that highlight free events, free concerts or learning activities.

There are ways to care for yourself that are free or low cost: soak in the tub, walk on the beach, pick some wildflowers for your dinner table. Work on a project or a hobby that is fulfilling. Maybe just put on some dance music and get moving. It may be more challenging when you are broke, to move out of feeling deprived and upset towards a happier place, but those moments are often so much sweeter when they arrive. Seek out some joy and comfort.

You can change your financial situation by developing that written budget and spelling out your income sources and your monthly debt, by making an honest assessment of how you fall into trouble with money and identifying what you can cut to save. Being empowered can mean reaching out for help whether it is negotiating with credit companies, talking with experts that can help you make wise decisions or maybe pooling resources with others.

Cutting some of your costs and adhering to your budget can be gratifying when you begin to see some progress. Setting goals for your financial future and working to make those goals happen can feel great. Reach out for help. Learn to talk about money and negotiate solutions that work for you. You can take charge of your financial reality and in doing that you can find ways to manage it with greater confidence and empowerment.

Remember, while money can bring some measure of joy and pleasure, even if you are without it there is a bounty of happiness available if you get creative and explore opportunities to connect with others, explore sources of free fun and self-care at home or in your community. Empower yourself to take hold of your financial reality and future and don't forget embrace the happiness along the way.