


Talking with Your Family about Financial Difficulties

 fyi.uwex.edu/toughtimes/talking-with-family-managing-stress/talking-with-your-family-about-financial-difficulties/

A drop in income, whether it's due to being laid off from a job, a drop in hours, or a decrease in income from investments is a scary and unsettling situation for both adults and children. It is important to talk through the situation with family members as quickly as possible—even though it may be hard to do.

“Adults can easily feel overwhelmed by the added stress and sense of reduced financial security. It is important to remember that children sense the tension in the family and may feel less secure, but don't know what to do about it,” says Bridget Mouchon, University of Wisconsin-Extension family living agent in Green County.

Parents may be less engaged with their children and more likely to become upset or angry over little things, due to higher levels of stress. Keeping the lines of communication open during times like these can help everyone feel more connected.

Family communication can also help older children and parents find ways to work together on managing the family finances. Even young children can be taught about wants and needs, and how family financial decisions are made.

Some tips for family money meetings:

- The most important thing to remember is to “leave blame at the door.”
- Recognize and respect each other's different attitudes toward money and approach discussions in an organized way. Work to find common ground so you can all work in the same direction.
- Make sure it is a good time for each of you to talk. If one of you has had a bad day or received difficult news, you may want to reschedule the discussion.
- Set ground rules for the discussion. Make sure you both have an opportunity to be heard and listen to what your partner is saying. Avoid accusations and blame.
- Set and prioritize your goals together and stick to the plan unless something significant occurs and you need to alter it.
- Set aside time each month for a money meeting. Regular meetings will become easier to do and keep you on track.

You may need to meet more frequently during times of financial stress. Try to set goals that are obtainable, and leave everyone something that will keep their spirits up. When planning about cutting back on spending, find alternatives for when you have to say “We can't do that anymore.” For example, if you can't afford to go to the movie theatre or rent movies, plan to go to the library and borrow them, or start a movie-lending group with friends. Finding free and inexpensive alternatives can keep family members from feeling the brunt of financial hardship.

Some financial decisions are harder to make. For example, you may wonder how you will afford to buy food, and pay your rent or mortgage. What will happen if you can't pay your credit card bills

and all financial supports that are available until you find another job or your hours are increased. You can help keep your family healthy and happy by finding supports like energy assistance, health insurance through [Badgercare](#), and other resources.

If you are worried about overwhelming debt, or unable to make mortgage payments, call your lenders to work on a payment plan before you get behind on payments. "Be realistic about what you can afford. This means that you have done the math and know that you can meet your basic needs, while doing the best you can to meet your financial obligations to your creditors. Meeting with a reputable financial counselor might be helpful," says Mouchon.

See www.debtadvice.org for National Foundation for Credit Counseling-accredited agencies.

Return to the home page: [Overview of Resource Materials](#)

Feedback, questions or accessibility issues: info@ces.uwex.edu | © 2018 The Board of Regents of the University of Wisconsin System

[Terms of Use](#) | [Privacy Policy](#) | [Non-Discrimination Policy](#) | [Accommodation Requests](#) | [Discrimination and Harassment Complaints](#)