

MONEY PLANNING & BUDGETING BUDGETING

## We need to talk about money

By **Emily Chantiri**

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In an age where people are willing to share almost anything — from addictions to their sex lives — on social media and reality TV shows, when it comes to talking about money, up come the barriers.

Many people regard talking about their finances as taboo because of deep-seated emotional beliefs, according to Rebecca Pritchard, financial coach at Wealth Enhancers.



In relationships, consider and discuss what financial goals are shared, such as buying a home or having a baby.

“This can be because they feel insecure and often compare themselves to others, who they perceive to be better off,” she says.

“They’ll say things like, ‘I don’t stack up or I should be doing better.’”

Many others are too scared to ask questions about finances for fear they will look silly.

“I had an example where someone came to me and said, ‘I feel like I need an offset account,’” she says. “I then asked, do you know what that is? They said no.

### Fear of being judged

"Money terms are often thrown around but people are afraid they don't understand them and this can stop them from talking about important issues," says Pritchard.

Fear of being judged or embarrassed is a major reason why people remain silent about their finances, according to a financial wellbeing study convened by financial services company Suncorp.

The research also revealed that the older the individual, the more likely they are to not talk about money. Generation Z and Millennials are the most likely to talk and Baby Boomers the least.

The national study, which polled more than 3200 Australians, found two out of every three people feel pressure to do well financially, yet more than a quarter found talking about money hard.

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## ***"False perceptions and emotions can get in the way of you being able to take control of your finances"***

Suncorp's Kristi Woolrych says money is an important part of life and a major source of stress on relationships but it should not be a topic to shy away from.

"False perceptions and emotions can get in the way of you being able to take control of your finances," she says.

"Starting a conversation about money doesn't have to be awkward or painful.

"A more open approach can lead to better financial outcomes," she says

## **Get Talking**

Laura Higgins, of the Australian Securities and Investments Commission's MoneySmart website, offers a few suggestions to get you started in the right direction.

"With kids, start early and give them a good foundation by teaching them that money is critical for their personal development," she says.

"Show children the basics, such as how to budget, spend and save. That will help them establish good money habits for life."

She says a good example can be as simple as strolling through a supermarket with the children.

"Get the kids to compare prices and pick the cheapest item," she says. "If they want a particular brand, then explain the price difference to them."

In relationships, consider and discuss what financial goals are shared, such as buying a home or having a baby.

“Look at your attitudes to spending and saving and who will handle the finances,” she says.

“Will one person look after household expenses, mortgage and savings, or will you share the responsibility?”

ASIC's Money Smart website recommends that you and your partner each write down an answer to the following items, then have a discussion on each point.

- ★ List one thing you'd like to change about your relationship with money.
  - ★ Who do you turn to for money advice and guidance?
  - ★ What are you doing (or what you need to do) to plan for your retirement?
  - ★ List your best and worst financial decisions.
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