

RELATING WITH MONEY

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What do other high school students know about relating with money?

We asked high school students if they've ever witnessed money affecting a relationship close to them:

“
Money is always a strain at my house.
At least every other day, my parents
fight about money.”

Junior, Michigan

“When my parents fight, it is usually concerning a purchase that didn't get recorded in the checkbook.”

Senior, Wyoming

“My parents fought all the time about money and are now divorcing.”

Senior, Alabama

“Money was the cause of my parents' divorce when I was five years old.”

Senior, Oklahoma

“My parents argue about what they spend money on and what bills need to be paid first.”

Sophomore, Florida

LEARNING OUTCOMES

Explain the difference between a commission and an allowance.

Describe the general differences that exist between men and women as they relate to money.

Identify the characteristics of a nerd and a free spirit and explain how they approach the budget in different ways.

Evaluate the importance of doing a budget together when married.

KEY TERMS

Accountability
Allowance
Commission
Fiscal
Free Spirit
Nerd
Work Ethic



Men, Women and Money (over-generalizing)

The flow of money in a family represents the _____
_____ under which that family operates.

Emergency Fund Savings

Men: “It’s boring and not _____ enough.”

Women: “It’s the most _____ key to our financial plan.”

Shopping

Men get good deals by _____. They want to win.

Women get good deals by _____. They enjoy
the process.

END OF VIDEO PART 1

Financial Problems

Men lose _____ - _____ because money
usually represents a _____ to them.

Women face _____ or even _____ because,
with women, money usually represents _____.

Information not otherwise sourced in this section is largely based off of Dave Ramsey’s personal experience in counseling families for over 20 years, as well as his experience in talking with more than 5,000 radio listeners and television viewers every year.

! STUPID TAX

“I bought a monkey and my mom grounded me.”

Junior, Alabama

“When I got my first paycheck, I spent every dollar of it the same day at the mall.”

Senior, Tennessee

“It took me a couple of months, but I finally had over \$600 saved up. Then, I took this girl I really liked to a Valentine’s Day dance and spent about \$300. Now I really regret doing that.”

Senior, Utah



REAL LIFE

Marriage counselor Gary Smalley identifies five behavioral differences concerning men and women in his book, *Making Love Last Forever*.

Men love to share facts, **women** love to express feelings.

Men connect by doing things, **women** connect by talking.

Men tend to compete, **women** tend to cooperate.

Men tend to be controlling, **women** tend to remain agreeable.

Men tend to be independent, **women** tend to be interdependent.

Marriage and Money

The number one cause of divorce in America is

_____.

When you agree on your value system, you will reach a _____ in your marriage that you can experience no other way.

Who does the Financial Decision-Making?

_____ of you!

The partner with the natural _____ can prepare the _____, but the decision-making must be done by both of you.

END OF VIDEO PART 2

The _____ likes doing the budget because it gives them control, and they feel like they are taking care of loved ones.

The _____ feels controlled, not cared for, and can appear irresponsible to the nerd.

END OF VIDEO PART 3

Singles and Money

_____ and fatigue can lead to poor money management.

“My boyfriend’s credit is in bad shape and we’re thinking about getting married someday. Will his bad credit rating affect mine? My credit is in good shape right now.”

DAVE’S ANSWER: Marrying someone with a bad credit rating will not affect your score. In other words, the black marks on his credit rating don’t jump across the aisle onto your report as soon as he slips the ring on your finger. After you’re married, your husband will be listed as “spouse” on your report. Then, if they pull your report for any reason, they’ll see that half of your “team” has had some problems in the past. When the two of you decide to buy a home, it may be difficult if there are still problems with his credit report. But the big issue here is that you seem to have differing views on money management. Make sure you go through premarital counseling together, and begin the process of working together to make monthly budgets. If you get married, money is going to be a big part of your lives for a long time. Agreeing on your goals now will set the foundation for your dreams.



Beware of _____ buying, which can be brought on by _____ or even by the “I owe it to _____” syndrome.

A written plan gives the single person _____, self-accountability and _____.

Prevention

Develop an _____ relationship.

This is someone with whom to discuss major _____.

This is someone with whom to discuss your _____.

Accountability friends must love you enough to be brutally honest and promise to do so for your own good.

WISE GUYS

“Personal relationships are the fertile soil from which all advancement, all success, all achievement in real life grows.”

Ben Stein

“Tell me, and I’ll forget. Show me, and I may not remember. Involve me, and I’ll understand.”

Native American Saying

Kids and Money

Teaching kids how to handle money is not the _____ responsibility. It is the parents’ responsibility.

Parents should pay _____, not allowance; we have enough people in our society who expect to be made allowance for.

Words are _____.

If you _____, you get paid; if you do not _____, you do not get paid.

Teach by _____.

“My sister and I both get paid for doing jobs around the house. If we do all our jobs we make \$20 a week, but if we forget one or two of them we get less. Do you think this is fair.”

DAVE’S ANSWER: Yes, I think that’s very fair. I love the fact that your parents have put you on a commission system instead of just handing you money.

In the real world, if you don’t work you don’t eat. You also won’t have money to do other things like go to the movies or buy clothes. Learning the value of hard work and doing a job well is a very important lesson all kids should learn, and all parents should teach this to their children.

Think about how you feel on the weeks when you do all your jobs compared to the times you haven’t. Work is rewarding financially. But the rewards won’t be as great if you don’t get the job done or do your work well!



MONEY FACTS

52% of teens say they simply ask for money from their parents or guardians when they want or need something.

Fewer than **41%** of teens get money from an allowance whether tied to chores or not.

Charles Schwab Survey

Parents should show kids how to live _____ free, how insurance works, how an IRA works, etc.

Be Age-Appropriate

If the children are young, use a clear _____ to save. Visual reinforcement is powerful.

END OF VIDEO PART 4

Use three envelopes for ages 5-12: _____, _____ and _____.

Somewhere around 13-15 years old, open a _____ _____ for the child and teach him/her how to run it by monthly reviews.

END OF VIDEO PART 5

Recap and Review

How you handle money will affect all of your relationships.

Make sure you understand how you relate to money. Are you a nerd or a free spirit?

Men and women are different when it comes to money.

Understanding how you personally relate to money will lead to better communication and relationships.

CHAPTER 9: MONEY IN REVIEW

Vocabulary

Accountability
Allowance
Commission
Fiscal
Free Spirit
Nerd
Self-Esteem
Value System
Work Ethic

Matching

- a. free spirit
- b. nerd
- c. value system
- d. allowance
- e. commission
- f. accountability

- ___ 1. The one who likes to deal with numbers and make a budget
- ___ 2. Getting paid based on the work you complete
- ___ 3. The one who goes with the flow
- ___ 4. Taking responsibility and assisting with wise decisions
- ___ 5. What is important to you

True or False

- ___ 6. The number one cause of divorce in the U.S. is money fights.
- ___ 7. You need to get a shopping partner to discuss major purchases with.
- ___ 8. Men and women are quite similar in how they relate to money.
- ___ 9. Nerds are always the savers and free spirits are always the spenders.
- ___ 10. Personal finance is 80% behavior and only 20% head-knowledge.

Multiple Choice

- 11. For _____, the emergency fund is the most important key to financial security.
 - a. women
 - b. men
 - c. both
 - d. Dave Ramsey
- 12. How do men and women relate differently to shopping?
 - a. Men want to find a good deal by hunting; women want to find a good deal by negotiating.
 - b. Women want to find a good deal by hunting; men want to find a good deal by negotiating.
 - c. Women enjoy the process of looking; men want to win by getting the deal.
 - d. all of the above
 - e. both b and c

13. A budget committee meeting should last:
 - a. 45 minutes
 - b. as long as it takes
 - c. 10-20 minutes
 - d. no more than an hour
14. Children who save money to buy their own car are:
 - a. less likely to appreciate the car because they will have to settle for a cheaper car
 - b. more likely to appreciate and take care of a car they saved for
 - c. more likely to learn fiscal responsibility
 - d. both b and c
15. Which one is not a rule for a budget committee meeting?
 - a. free spirits must give input
 - b. the meeting should last no longer than 20 minutes
 - c. nerds must not let the free spirits change anything on their budget
 - d. all of the above are ground rules for a budget meeting

Short Answer

16. Explain the advantages and disadvantages that singles have when it comes to finances.
17. How does getting an allowance differ from earning a commission?
18. What are some things you can do to teach young children about money?
19. Are you a free spirit or a nerd? Explain the characteristics you have.
20. Compare how men and women differ when it comes to an emergency fund.

Case Studies

21. David and Melissa want to teach their 18-year-old son, Jim, how to handle money responsibly. Jim has no interest in going to college but wants to work so he can make money to hang out with his friends. Jim's parents bought him a car for his birthday and he only has to pay for gas because his parents pay his insurance. David and Melissa are afraid that Jim is not going to graduate high school because his grades are slipping, but Jim is not worried. What advice would Dave give to David and Melissa?
22. Mark just graduated from college and landed a sales job with a starting salary of \$45,000 per year. He has one student loan on which he is making double payments and a fully-funded emergency fund. Mark is about to ask his girlfriend, Erin, to marry him. Erin has a car payment and uses a credit card for purchases, although she does pay the balance in full each month. She also has a pretty good job but no savings. Mark wants to make sure that they are on the same page financially when they get married. What does he need to do to make sure that happens?
23. Julie is having a hard time convincing her husband, Erik, to do a budget. His income is \$35,000, but he also works a part-time job so he has extra spending money. They have credit card debt and some minor medical bills. Julie wants to get out of debt but Erik thinks that everything is fine. Julie calls Dave on the air to discuss her situation. What does Dave tell her?