

The Quick-Reference Guide to
**COUNSELING ON
MONEY, FINANCES
& RELATIONSHIPS**

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and
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To protect the privacy of those who have shared their stories with the authors, details and names have been changed.

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Introduction

Because money is both a universal blessing and concern, *The Quick-Reference Guide to Counseling on Money, Finances & Relationships* is designed to equip professional counselors, pastors, and lay counselors to help those who are struggling with many and varied financial issues in relationships. Many (if not most) people who come for help with relational and emotional problems struggle also with their finances. Money may not be the main reason they came for help, but it's a significant contributing factor—due to the fact that money affects just about every aspect of life. If we scratch below the surface, we may realize many of their personal stresses relate to money, and many of the relational difficulties they face are directly related to conflict over money. Studies show that disagreements about money were a major contributing factor in 70 percent of divorces (*First Comes Love, Then Comes Money*). Often financial struggles complicate the emotional and relational difficulties in the lives of those who come for counseling, but relatively few counselors address this important topic.

In this guide we focus on three important areas:

1. Defining a financial relationship
2. The five Money Personalities
3. Forty financial relationship topics

The purpose of this guide is to address the needs of people under emotional and relational strain because of financial problems, no matter how these problems have occurred—through debt or any other factor. People whose financial struggles have produced anxiety, depression, and family conflict need understanding, support, and direction.

Each of the forty topics includes insights about how to approach clients across the financial spectrum. The issue isn't how much money an individual or a couple has, but how they are handling stress and communication related to their finances.

If you are a professional counselor, this guide can help you:

- accurately determine a client's problems by using the assessments in each section
- see a client's problem and solutions from a biblical perspective

- give clear guidance to your clients so they can take steps forward to resolve pressing financial-communication problems
- create a network of financial professionals and other resources for your clients

If you are a pastor or lay counselor, we recommend that you take time to read through the entire book, marking key points in each section that stand out to you. As you become familiar with the topics, problems, approaches, and resources, you can make a list of referral resources in your community. The guide will help you:

- gain information about the nature of money challenges
- assist you in compiling a list of competent referral resources
- assess the nature and severity of the person's problem
- remind you that there are limits to a lay caregiver's role

ESTABLISH A NETWORK OF FINANCIAL PROFESSIONALS

Financial stresses complicate the lives of many of the people who come for emotional, relational, and spiritual counseling. Often those who are struggling in marriage or raising teenagers argue about money. People who are depressed may have gone “over the edge” because of financial trouble or they may experience the strains of low income and debt because they are so depressed they can't work. Some people use spending like a drug, hoping the next new purchase will give them relief and a moment of happiness.

Many counselors avoid addressing financial issues because they don't feel competent in this area—and perhaps because they struggle with their own finances. The purpose of this book is not to urge you to become an expert in financial management, but instead, to provide insights to help you address this crucial issue when it arises in the lives of your clients.

In many (if not most) cases, your clients will need more help with financial matters than you can offer, so it's important for you to find and vet a few financial professionals you can trust. Some specialize in helping people who are buried in debt, and others can help with mortgages, insurance, or legal matters. In your church and your community, look for insurance agents, financial planners, and attorneys who have a sterling reputation for compassion and excellence in their field. Creating this network takes time, but it will be a valuable resource for many of your clients—and when these professionals have clients with emotional problems, they'll probably refer them to you.

HOW TO USE THIS GUIDE

This Quick-Reference Guide provides insights and resources to help you assess problems and offer effective solutions. The elements in each section are:

- 1. Portraits.** The Portraits show how a specific issue (for example, setting goals, debt, budgeting, compulsive shopping) surfaces in individual lives and relationships. We provide several portraits for each topic because one issue can present itself in different ways in different individuals' lives.
- 2. Definitions and Key Thoughts.** This section will help you understand the nuances of the problem and provide direction for your conversations with the person.
- 3. Assessment Interview.** For each topic this section provides important, probing questions you can use to assess the person's needs and situation.
- 4. Wise Counsel.** Here there are additional insights into the problem, the biblical perspective, the path forward, or another issue related to your care for people.
- 5. Action Steps.** This is one of the most important sections in the guide because it helps your conversation move from assessment to creating a map and a workable plan for financial health.
- 6. Biblical Insights.** Here we provide passages of Scripture that relate to the topic and several important points that help to explain the significance of the passage. You may want to share these passages with clients or you may choose to study them yourself to enrich your understanding of how God works to change lives. Many of the Scriptures can be used for several topics. For example, passages about financial discipline, hope, and patience relate very broadly. Take some time to look over the passages related to each topic to find ones that apply to the people who come to you for help.
- 7. Prayer Starter.** Many Christians welcome—and even expect—prayer as an integral part of the counseling process, but prayer is not appropriate with everyone. If a person isn't a believer or has shown resistance to God, you can pray silently during the session or after the appointment is over and the person has left. We realize individual preferences about prayer and the needs of those we help differ greatly, but we didn't want to overlook prayer as an essential element in biblical counseling. The Prayer Starter sections provide a few simple lines to begin lifting up a prayer out loud or silently, during the appointment or at other times.
- 8. Recommended Resources.** This guide is not meant to provide you with an exhaustive look at any of the topics. For each topic, we suggest resources that give an overview and provide a brief template for addressing the needs. Continuing education is very important, so each Recommended Resources section lists at least a few books or multimedia programs we have found to be useful and trustworthy.

ADDITIONAL RESOURCES

The American Association of Christian Counselors (AACC) provides training, curricula, books, workshops, and other resources to equip people to care for others. At the end of each topic in this guide, you'll find specific resources for that issue, but we recommend additional materials and online help for those who want broader input on counseling topics and skills. These include:

The Bible for Hope: Caring for People God's Way by Dr. Tim Clinton (Thomas Nelson).
Caring for People God's Way: Personal and Emotional Issues, Addictions, Grief, and Trauma by Tim Clinton, Archibald Hart, and George Ohlschlager (Thomas Nelson).

Other valuable training resources are offered through Light University Online (www.lightuonline.com). Programs include:

- Biblical Counseling
- Professional Life Coaching
- Crisis Response and Trauma Care

In addition, the AACC offers many more resources and training on three websites:

- www.ecounseling.com
- www.aacc.net

Continue to sharpen your skills and deepen your understanding of issues that affect the people God puts in your path. These resources can help:

- www.crown.org
- www.themoneycouple.com

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The American Association of Christian Counselors has nearly fifty thousand members throughout the country and around the world. The AACC is dedicated to providing the finest resources to help professional counselors, pastors, and lay counselors care for hurting people. Outstanding training, books, and events augment membership benefits that include the magazine, *Christian Counseling Today*. For more information about the AACC, go to www.aacc.net.

Defining a Financial Relationship

Researchers have found that 75 percent of divorces in the US involve financial conflict. We are finding that it isn't the broken financial plan that is tearing relationships apart; it is the bickering, the fighting, and the grating on each other's nerves that is. How can people stop fighting, learn to understand each other in a whole new way, and actually want to have discussions about money? How can they have a healthy Money Relationship?

After all, doesn't money affect nearly every decision a couple makes and doesn't money affect every couple you work with? Think about these questions:

- Doesn't money affect where they go on vacation?
- Doesn't money affect the kind of wedding a couple pulls together?
- Doesn't money affect where a couple works?
- Doesn't money affect where a couple buys their groceries?
- Doesn't money affect where a couple gets their coffee?
- Doesn't money affect what grade of gasoline a couple puts in their car?

So the challenge is, how can a couple have a Money Relationship (not a financial plan) that will allow passion to return to their interactions and provide the sense that they are both being heard?

While helping couples, it is absolutely imperative that you understand that couples have a Money Relationship. It is crucial to remember that the success of a couple's Money Relationship is measured by their having fewer and fewer thoughts like:

- Why doesn't my spouse take our finances seriously?
- Why do I feel like my spouse wants to control our finances?
- Why can't I take some risks with our money?
- Why can't we ever get ahead?
- Why do I always feel that I am under a magnifying glass when I spend money?

As counselors we need to assess how a couple views money and quickly get an understanding of their money differences. Our goals must be to help them understand their individuality and to work at bringing them back together. When we understand the Money Personality of our clients, we have a whole new way to assess and diagnosis their problems and to understand their Money Relationship. If we agree that money affects just about every discussion, every day, then having this tool will prove to be the key that opens the door to more harmony for the couples we serve.

Identifying the Five Money Personalities

As you read through these Money Personalities, remember that everyone has two of the five Money Personalities—a primary and a secondary personality.

The five Money Personalities are:

- **Saver.** Savers rarely spend impulsively. They will scour the internet for deals, figure out how to save money on a vacation, and make sure they have the money in hand before making a purchase. They avoid credit card debt like head lice. Savers hate paying interest and accruing debt. They want to pay off every bill, in full, right away.
- **Spender.** Spenders are carefree with their money. They aren't concerned about how much they spend or on whom they spend money. They aren't necessarily rich—we know Spenders who can do some serious shopping at the dollar store. Spenders just like spending.
- **Risk Taker.** For the Risk Taker the thrill of jumping into a financial challenge doesn't come just from a huge payout on an investment. It comes from taking the risk in the first place. Even if they never hit it big, Risk Takers never give up on following the rush they get from trying out a new idea, even if it costs them everything. It's just how they're wired.
- **Security Seeker.** Security Seekers like to know the financial future is settled and safe. They are all about low-risk investments, hefty life and property insurance, and secure retirement funds. When it comes to money, the Security Seeker's motto is "The safer, the better."
- **Flyer.** The Flyer is perhaps the most unusual Money Personality in that the personality has very little to do with money. Flyers don't think about money—at all. They're not anxious about it, they're not consumed by it. They have absolutely no emotional response to money.

Adolescent Children and Allowances

1 PORTRAITS

- Susan and her husband got a divorce a year ago. Their son, Alex, is fifteen years old and lives with her. Everyone has been deeply hurt by the breakup of the family. Alex masks his hurt with plenty of anger and he has begun hanging out with kids who smoke weed. He's become emotionally withdrawn from Susan. To try to win him back, she has offered him a car when he turns sixteen in a few months. In addition, she gives him lots of money for clothes, games, and electronics—an expense she can't afford. But no matter how much she gives him, it's never enough to get him out of his seething depression.
- Jack is only thirteen but he's following in his father's footsteps as the ultimate bargain shopper. He loves to shop but he hates spending money. When he wants to buy something, he spends days (even weeks) trying to find the best deal. His father is so proud of him, but he's driving his sister and mother nuts. When they argue, his dad always takes his side. What began as idiosyncrasies among the men in the family have become divisive.
- Emily is fourteen. She receives a generous allowance from her parents each week, but when they remind her that she needs to clean up her room as part of the deal, she shrugs and ignores them. Her room is a perpetual pigsty. When they confront her and threaten to withhold her allowance, she flippantly says, "I'm sorry," and complains that her life will be ruined if they don't give her the money. She has trained her parents well. No matter how irresponsible she acts, they keep giving in to her whines.
- Since Rob was a baby, his dad has started several businesses. Some of these companies did well, and the family enjoyed prosperity, but some failed. Rob is seventeen but he seems to be very unsure about himself and how to handle money. During some periods of time, he acts like his father—spending freely without a care in the world. But at other times, he becomes insecure and saves every penny he can put his hands on. His mother knows there's something wrong, but she can't put her finger on it.

2 DEFINITIONS AND KEY THOUGHTS

- Psychologists observe that *adolescence* is a pivotal time in human development. Healthy children who are twelve years old have developed a sense of competence,

especially by doing their work in school and around the house. As they become adolescents, these kids enter a time when they gain the insights and skills to become successful young adults. From twelve to eighteen years old (and some experts would say into their twenties), children must answer the question of *identity*: Who am I? To be able to navigate these waters, they have to integrate the lessons they learned earlier in life—trust, independence, competence, and self-control.

- Typically during adolescence, children push against authority. In fact, often they take positions that are the opposite of those held by their parents. They may not hold these beliefs long because they're just seeing if their parents will continue to love them if they show a rebellious spirit. Many parents are upset when their "sweet little" boy or girl becomes defiant in these years. They need to understand that it's the child's job to *become an individual*, a separate, healthy young adult. If teenagers continue to act and think like a child, they will be developmentally stunted for life.
- Adolescent years are full of *trial and error*. In school, relationships, hobbies, sports, games, handling money, and every other aspect of life, kids try new things to see if they work. They need room to experiment with new ideas and values, but not so much that they harm themselves or others. Parents, especially *insecure parents*, may feel deeply threatened by their child's new behaviors. In an attempt to control their kids, these parents may prevent them from growing up.
- Parents of adolescents may make one of two opposite *mistakes regarding money*: they overindulge their kids with money and things or they are too rigid and controlling. For children to become strong young adults, they have to internalize *values* and see how those values work out in real life. Overindulgence prevents them from suffering the consequences of poor choices, but rigid control limits their creativity and short-circuits learning.
- In every aspect of their lives, kids need parents to give them "roots and wings," a *solid foundation* of love, respect, and security, and enough freedom to try new things and learn important lessons for the future.

ASSESSMENT INTERVIEW 3

In most cases, parents come for help when they feel their adolescent children are out of control—usually in many areas of life, not just financially. Explain the five Money Personalities and then ask:

1. What is your Money Personality?
2. What is your child's Money Personality?
3. How do your Money Personalities complement and conflict?
4. How would you describe the problem your child is having?
5. How might this problem reflect some insecurity in the family dynamics? What's the connection?
6. How can you avoid the opposite problems of overindulgence and rigid control? What might the "golden mean" of love, respect, and natural consequences look like in your family?

7. Are you afraid to let your child experience the consequences of his poor choices? Where might this fear come from? How does it affect your child?
8. A Money Huddle is designed to facilitate good communication for a couple or a family. It is a time where you set aside all distractions and work on your Money Relationship: evaluate debt and savings, discuss priorities, reflect on successes, and set goals. You need to have this meeting once a month and it should not take more than one hour. How would it help you and your child?
9. What are some steps you need to take to help your child become more mature and responsible with money (and every other part of his life)?
10. How can I help?

4 WISE COUNSEL

The goal of parenting adolescents isn't to control their behavior but to give them a strong foundation and confidence as they take steps in becoming mature young adults. There's a big difference between the maturity of a twelve-year-old and a twenty-year-old, and there's not a button to push to cause instant change. The parent's job is to provide plenty of support while gradually turning more responsibility over to the child to make his own decisions. Some of these choices will be wrong, but the parent needs to be very careful not to bail out the child and prevent him from learning from natural consequences.

Quite often current or past pain in a parent's life causes poor parenting. When parents are wracked by guilt because of past failures, divorce, or financial problems, they may try to buy the love of a child with money and gifts. They may feel out of control and overcorrect by being demanding and rigid, or conversely, they may withdraw and become emotionally distant from the child. The primary problem in these cases is the parent, not the child.

In some families, children learn to play one parent against the other to get their way. These triangles are destructive, based on secret alliances and manipulation. When the adolescent whines and demands his way, one parent supports him against the wishes of the other. This painful dynamic isn't resolved easily. It must be exposed and addressed so that new patterns of respect and honesty become normal. The Money Huddle is a valuable tool to facilitate this process.

Here are some money management principles to impart to adolescents.

- *Start saving early.* If children have a goal to buy something, they'll be motivated to save for it. Parents who give children whatever they want prevent them from learning important principles of discipline and delayed gratification.
- *Allowances come with responsibilities.* Young children and adolescents need to know that money doesn't drop from trees. Experts have different opinions about allowances, but allowances have a more positive impact if children realize they have to do chores to receive them.
- *Natural consequences.* In most cases parents shouldn't just bail out a child who has spent his money and can't buy something he wants—or even needs. It doesn't hurt for a child to do without, feel the pinch, and learn a valuable lesson about

budgeting. If the child whines and begs for more, the parent can simply say, “You had complete control over your money and you made a choice. I love you too much to short-circuit the lesson you’re going to learn. You’ll do better next time, but only if you learn this lesson.”

- *How matching funds work.* For large purchases, parents may want to offer to match money the child saves as an encouragement for fiscal discipline. The parent, of course, needs to approve of the item to be purchased—or at least tolerate it. The important issue here isn’t the thing that will be bought, but instead, it’s the development of prudence and the discipline of saving.
- *Using bank accounts and credit cards.* Checking accounts and credit cards may be appropriate as the child becomes an older adolescent, but parents should put limits on spending and credit. As the child proves to be responsible, these limits can gradually be raised.
- *Money discussions.* Regular, honest discussions about money clear up misconceptions and build relationships in the family, but parents need to make their disclosures and stories age appropriate.

ACTION STEPS 5

1. Explain the five Money Personalities and help the parent identify himself and his adolescent children. Discuss the way their Money Personalities complement each other and how they may conflict with each other’s and with their child’s.
2. Discuss principles of active listening, good communication, and conflict resolution, and answer any questions.
3. Go over the principles of money management in the Wise Counsel section and answer any questions. Help the parent determine his priorities and processes in moving forward with his kids.

BIBLICAL INSIGHTS 6

Hear, O Israel: The LORD our God, the LORD is one. Love the LORD your God with all your heart and with all your soul and with all your strength. These commandments that I give you today are to be on your hearts. Impress them on your children. Talk about them when you sit at home and when you walk along the road, when you lie down and when you get up. Tie them as symbols on your hands and bind them on your foreheads. Write them on the doorframes of your houses and on your gates.

Deuteronomy 6:4–9

Children, including adolescents, are sponges soaking in the atmosphere of their surroundings, and especially the attitudes of their parents. In one of the most important directives given to God’s people, Moses tells them to teach, model, and discuss sound principles of godly living with their kids.

Fathers, do not embitter your children, or they will become discouraged.

Colossians 3:21

Dads (and moms too) can exasperate their children in many different ways: by spoiling them, controlling them too tightly, or being too disengaged from them. Our task as parents is to provide plenty of love and affirmation, but gradually give them more freedom to make their own choices, even if some of those choices are poor.

Don't let anyone look down on you because you are young, but set an example for the believers in speech, in conduct, in love, in faith and in purity.

1 Timothy 4:12

Paul encouraged Timothy to be mature and strong. In the same way, the parents' job is to equip their kids to become healthy young adults who can face the world's challenges with confidence and skill.

You then, my son, be strong in the grace that is in Christ Jesus. And the things you have heard me say in the presence of many witnesses entrust to reliable people who will also be qualified to teach others.

2 Timothy 2:1-2

Principles are passed down from generation to generation. Paul reminded Timothy that he was going to relate Paul's heart and purpose to others who would then pass them on to still more people. As we equip our kids with biblical values and behaviors, we can be sure they'll pass them down to their kids and grandkids. It's a legacy of truth, honor, and love.

7 PRAYER STARTER

Father, this parent wants to equip his child for a successful future. He needs your help. Give him wisdom about himself, his child, and his family. Help him trust you for wisdom and strength as he makes changes in the way he handles money, talks about money, and faces the challenges of money. Thank you for your grace . . .

8 RECOMMENDED RESOURCES

Munchbach, Jim. *Make Your Money Count: Connecting Your Resources to What Matters Most*. Baxter Press, 2007.

Palmer, Bethany, and Scott Palmer. *First Comes Love, Then Comes Money: A Couple's Guide to Financial Communication*. HarperOne, 2009.

Ramsey, Dave. *The Total Money Makeover: A Proven Plan for Financial Success*. Thomas Nelson, 2009.

Adult Children

PORTRAITS 1

- After Barry graduated from college, he moved back home to look for a job. After a few months he found one but he enjoyed eating his mother's cooking—and he really liked not having to pay rent each month. Now he's thirty-four, still single, and working in a job with little promise for the future. At times he seems to be discouraged but he's not motivated to get out and create an independent life for himself. His parents, Bob and Janie, don't know what to do. They love him and are committed to supporting him but they're afraid he's wasting his life. Janie wants Barry to leave and get an apartment, but Bob argues with her. He wants to keep their son around the house so he can keep an eye on him. They are all frustrated, but nothing ever changes.
- Charlotte and her husband, Bryan, live about two hundred miles from her parents. They want to buy a new house because they just had their second child and their apartment seems a little crowded, but they don't have enough money. They have never complained and they didn't ask for any help for a down payment. Her parents want to help them by giving them (or maybe loaning them) \$15,000. They can afford it but they're not sure it's the right thing to do.
- Amanda is forty-one. She's been a drug addict since high school. Her parents, Mark and Amy, have tried to help her as much as they can, but her addiction has shredded family relationships. Mark works for a major oil company and makes a good salary with a significant annual bonus. For the past twenty-two years, however, he and Amy have lived in the same little house and have taken few vacations because virtually all their extra money has gone to rehab clinics. There have been a few glimmers of hope over the years, but always within a few months, Amanda has reverted to using cocaine and meth. Her health is a wreck, she has three children by three different men, and she lives with her parents because she can't hold a job. Mark and Amy's other two kids are furious with them—not because of the money, but because Amanda is taking advantage of her parents' kindness and they have no boundaries on their handouts. Family gatherings are few and fierce. Mark and Amy have so much invested in their wayward daughter that they can't imagine pushing her out on her own.
- Joanne got a divorce from Paul a year ago, and she's struggling to make life work for herself and her two young sons. Her parents live nearby. They are glad to come over and help with the kids but they realize Joanne needs more than babysitting. Joanne doesn't want her parents' financial assistance, but her

job and child support don't bring in enough. Her dad told her, "Let us give you some money every month for a year until you can get on your feet. Then we'll see how you're doing." Joanne wept. She felt a strange mixture of shame, relief, and love.

2 DEFINITIONS AND KEY THOUGHTS

- We don't sound the debt alarm very often, but when it comes to young adult children asking their parents for help with debt, well, the alarm bells start ringing!
- These days, even nineteen-year-olds can be riddled with *debt*. Student loans, car loans, and credit card debt can add up quickly, leaving young people buried in debt before they've even cashed their first paycheck. And debt follows young people for a long time. Take a look at these sobering statistics:
 - Sallie Mae reports that the average amount of credit card debt held by college graduates is \$3,173 (*USA Today*).
 - The average student loan after graduation is \$23,000 (projectonstudentdebt.org).
 - 10 percent of college students graduate with a minimum of \$39,300 in debt (accepted.com).
 - One out of every five students default on their student loans (projectonstudentdebt.org).
- Parents have to make some tough decisions about how much help to give their child when she ends up deep in debt. Before they write a check, they should ask these questions:
 1. *Where did this debt come from?* Is your child spending money on clothes, Starbucks, and nights out with friends, or is her debt the result of something less predictable, such as medical expenses, a change in her housing situation, the loss of a job, an added college class? If your child has ended up in debt because of unforeseen circumstances and you're able to help her out, do it. If the debt is the result of careless spending, this would be a great time to help her learn how to live within her means.
 2. *Have we bailed our child out before?* Every young adult will run into money problems sooner or later—it's part of growing up. But if your child has chronic money problems and can't seem to work them out on her own, it's time for you to consider seriously how much longer you will help her out of jams. If this is a pattern, your child needs a financial education, not a handout.
 3. *How can we help our child think differently about spending, saving, and debt?* If you don't know your child's Money Personality, this is a great time to figure it out. If your child is a Spender, help her understand her natural propensity toward debt and work out a plan to help her spend within her

means. If she is a Risk Taker, explain how saving more now can help her make smarter investments later. Once you and your child understand how she approaches financial issues, you can find ways to help her deal with her current debt and avoid getting stuck in it again.

4. *When should reality hit?* If your child is spending like crazy, it might be tempting to cut her off and leave her to deal with the consequences. But not every young adult is ready for total financial independence. Most will need to take on a little bit of responsibility at a time. Start your child on the road to independence by going over any credit card statements with her. If you haven't already, explain how credit card companies make money and how much the interest really costs. Help her prioritize her spending and even make a budget and figure out how to pay off her debt. And be transparent. If you have had challenges with debt, share your experiences.
5. *How can we use this conversation to strengthen our relationship with our child?* Your attitude will speak volumes to your child. Make sure you stay calm as you talk about your child's debt. If you decide to bail her out, explain your decision and what you expect in return for your help. If you say no, explain that decision as well and offer your help in working out a plan for paying off the debt. Make sure you and your spouse are both involved in these conversations—a united front tells your child that you care about her and want to work together as a family to find a way forward.

- Young adults are returning home at an increasing rate, but that doesn't mean they have to return to *financial dependence*. Helping your child manage her debt by showing her how to pay it down will be one of the best life skills you can give her.

ASSESSMENT INTERVIEW 3

1. Describe your relationship with your adult child.
2. How strong or unhealthy is your son or daughter emotionally, relationally, vocationally, and financially?
3. Have you helped financially in the past? What were the circumstances? When you stopped, what happened?
4. If you help financially, what do you expect to happen—to your child, to your marriage, to you?
5. If you don't help, what do you expect to happen?
6. How might natural consequences be a good teacher for your son or daughter?
7. Beyond solving the immediate financial problem, what are your hopes for your son or daughter?
8. What part of how you treat your adult child do you and your spouse agree on? What do you disagree about? How does giving so much attention to your child affect you personally and your relationship with each other?
9. How can I help?

4 WISE COUNSEL

Every parent knows that our care and concern for our children doesn't stop when they hit adulthood. But most of us are a little unclear on how that care should play out financially. Trying to figure out when and how to help adult children with money problems can lead parents into all kinds of financial miscommunication and conflict. It doesn't have to be that way. While the best approach for a parent will, of course, depend on the situation, parents need to keep in mind six guidelines as they make financial decisions about their adult children.

1. *Know your child's Money Personality.* You know better than anyone that each of your children is unique. That means they will each deal with money in unique ways. So base your decisions about helping your child on her Money Personality (see <http://www.themoneycouple.com/money-personalities.htm>) and her history with money. We know a couple whose son has a long history of money problems. He's a Flyer and doesn't think about money or worry too much about whether he has any. But when he needs to repair his car, guess who he calls? Helping him out only perpetuates this cycle. That's very different from a child who handles her money well but needs a one-time loan to cover an unexpected expense.
2. *It's okay not to play fair.* We also see a lot of couples who feel that they need to give all of their children the same things—if one gets money, they all get money. But it really is okay to help one child financially and not another, as long as you have good reasons for doing so. Naturally, you don't want to give or withhold money to manipulate or punish your children, but it can be perfectly fine to say no to one child and yes to another. You can offer equal amounts of love without offering equal amounts of financial assistance.
3. *Respect each other.* We're parents too and we know someone's always a softy when it comes to the kids. If one of you is more inclined to help your child than the other, work to find a compromise—consider giving a smaller loan or offering other kinds of emotional support. Recognize that you both want the best for your child and you need to figure out how to give her just that. And if your spouse says no, don't slip your child a hundred dollars the next time she comes over for dinner. Keep working with your partner to come to a position on which you can both agree. Don't let this decision undermine your relationship with each other.
4. *Don't hurt yourselves to take care of your kids.* We see so many parents who would rather decimate their own resources than see their kids struggle. But giving away money when you can't afford it doesn't help anyone in the long run. Protect yourselves—for your sake and the sake of your children.
5. *Decide if there will be strings.* Most financial transactions, especially those between family members, have some kind of strings attached. If you are giving money to your adult children, be as clear as humanly possible about what you expect in return. If you want to be paid back, talk about a time line and possible interest. If you think helping pay for a car means you get to use it now and then, work out an arrangement that everyone can agree to. If you hope for more visits

or phone calls or meals together, say so. Lay out all the expectations on the front end and avoid the strife that comes with poor financial communication.

6. *If there are strings, get them in writing.* Save everyone the drama of miscommunication and hurt feelings and write down every nuance of your agreement. No expectation is too small. Sign it, have your child sign it, and make copies for both of you. If you are expecting the loan to be repaid, you might want to consider filling out a promissory note (you can find a template at lawdepot.com) that serves as a legally binding agreement.

With a little thought and clear communication, parents can protect their family from the kind of relational damage only money conflicts can cause.

ACTION STEPS 5

1. Help the parent determine why she wants to help her child. If there is any compulsive behavior or guilt motivation, address these in counseling. If these things aren't discussed, the parent will revert to old habits fairly quickly.
2. Explain the importance of natural consequences as life's best teachers. One of the jobs as parents is to avoid getting in the way of these lessons.
3. Discuss the particular financial needs of the adult child, and help the parent come up with a plan to encourage the child to grow in maturity as well as to provide any financial assistance.
4. Continue to coach and counsel the parent as she implements the principles you've imparted to her.

BIBLICAL INSIGHTS 6

If your brother or sister sins against you, rebuke them; and if they repent, forgive them. Even if they sin against you seven times in a day and seven times come back to you saying "I repent," you must forgive them.

Luke 17:3-4

Far too often parents confuse loving their adult children with enabling them. When people are sinning by being irresponsible and selfish, we need to rebuke them and forgive them. We do them harm by always bailing them out of their self-inflicted problems.

Then the righteous will answer him, "Lord, when did we see you hungry and feed you, or thirsty and give you something to drink? When did we see you a stranger and invite you in, or needing clothes and clothe you? When did we see you sick or in prison and go to visit you?" The King will reply, "Truly I tell you, whatever you did for one of the least of these brothers and sisters of mine, you did for me."

Matthew 25:37-40

There are times when adult children need their parents' help. With wisdom, love, and patience, we can step in to provide financial assistance (as well as time and energy) to care for a child experiencing health problems or the impact of a natural disaster, or we can offer short-term, targeted support to overcome irresponsible behavior.

Love must be sincere. Hate what is evil; cling to what is good. Be devoted to one another in love. Honor one another above yourselves. Never be lacking in zeal, but keep your spiritual fervor, serving the Lord. Be joyful in hope, patient in affliction, faithful in prayer.

Romans 12:9-12

Parents need to examine their own hearts to determine their motives for financially assisting their adult children. If they are doing it for selfish reasons, they need to stop, repent, and choose a different path. The problem, of course, is that our hearts are full of self-deception. We can convince ourselves that we're pure and noble even if our motives are very selfish.

Live in peace with each other. And we urge you, brothers and sisters, warn those who are idle and disruptive, encourage the disheartened, help the weak, be patient with everyone. Make sure that nobody pays back wrong for wrong, but always strive to do what is good for each other and for everyone else.

1 Thessalonians 5:13-15

Parents need God's wisdom to know when to encourage, when to offer tangible assistance, when to step back and be patient, and when to rebuke a wayward child.

7 PRAYER STARTER

Lord Jesus, we need your help. An adult child is in need, but the parent is not sure what to do. Help her sort out her motives, communicate clearly and wisely, and develop a plan that is best for all concerned. Most of all, Lord, give her a desire to honor you in these decisions . . .

8 RECOMMENDED RESOURCES

Munchbach, Jim. *Make Your Money Count: Connecting Your Resources to What Matters Most*. Baxter Press, 2007.

Palmer, Bethany, and Scott Palmer. *First Comes Love, Then Comes Money: A Couple's Guide to Financial Communication*. HarperOne, 2009.

<http://www.ronblue.com/>

<http://www.mvelopes.com/focusonthefamily/>

Aging Parents

PORTRAITS 1

- Kate had been happy and independent all her life, even after her husband, Will, died a few years ago. Recently, however, her daughter Marge has been concerned. Kate's chronic health problems have gotten worse, and she's beginning to show signs of dementia. Marge has tried to talk to her mom about moving into an assisted living facility, but her mother adamantly refuses. And besides, Marge isn't sure Social Security and her dad's small pension would be enough to pay the bills there. "I'm afraid I'm going to go over to her house one day and find her dead," Marge told a friend.
- Jerry and Julia both retired fifteen years ago. They thought they had plenty of money in their retirement accounts, but health expenses and a downturn in the market are depleting their savings. Now they worry a lot about what they'll do when the money runs out. They've owned their home for more than forty years, and their son Jonathan has talked to them about the benefits of a reverse mortgage. "Sounds like voodoo to me," Jerry growled. "It might be the best thing for you and Mom," Jonathan said patiently as he explained for the fifth time how it works.
- Lisa has been concerned about her mother for the last several years. When she drives over for her weekly visits, she notices that often her mother has several boxes of things she has bought when she watched shopping channels on television. She doesn't need any of it. When Lisa sneaks a look at her mother's checkbook, she sees large expenses for things that don't make sense—to companies that she has a hard time finding, even online. She's afraid her mother is being scammed. When she asks her mother about the checks, she complains, "Can't I make my own decisions? I'm an adult, you know." Lisa checks with a lawyer about a power of attorney. "It seems like the only option at this point," she explains to him.
- Larry's mother has been living like a hermit for the past few years. She gets out only to go to the doctor, and her home is stacked with old magazines, newspapers, and dirty clothes. From time to time, Larry's wife, Jan, tries to sneak in to clean up when Larry is taking his mother to the doctor, but when they return, his mother becomes furious with both of them. Larry has asked several times to see her checkbook and savings statements, but she always has an excuse to avoid his "snooping around." Larry is finally ready to confront his mother about her lifestyle, her deteriorating health, and her finances, but he's not looking forward to it at all.

2 DEFINITIONS AND KEY THOUGHTS

- Often, as parents age and lose physical and mental capabilities, the *roles of parent and child* reverse because the parents need to be cared for instead of being the caregivers. The adjustment may be painful and difficult for both parties, but especially for the parents, who are losing their sense of identity and independence.
- To complicate matters, some adults find they are part of “the *sandwich generation*,” caring for their parents and their adolescent or young adult kids at the same time. The emotional and financial strain of this burden can cause problems for the marriage of a sandwich generation couple.
- As parents’ health or mental status deteriorates, their medical expenses escalate, and a budget that seemed reasonable at retirement ceases to work. Hard choices must be made, but it’s not unusual when the parents don’t even want to talk about the reality of their situation. They may be depressed and passive or they may be fiercely resistant or they may alternate between the two. In these difficult situations, emotional and relational tensions greatly complicate the financial dilemma.
- As elderly people become more isolated and think less clearly, they are more vulnerable to *scams*. A lady who was taken for thousands of dollars lamented, “But he seemed like such a nice young man.”
- Sons and daughters may not feel comfortable asking to see their parents’ checkbook and other financial statements, but they can’t determine how to help if they don’t have a good grasp of reality.
- The most common *financial issues* in helping elderly parents involve housing, transportation, health, shopping, and overall financial management. Each of these can easily get out of control and wreck a person’s financial status.
- *Reverse mortgages* may be valid sources of income for elderly people who have substantial equity in their homes, but the risks involved must be addressed.

3 ASSESSMENT INTERVIEW

When an individual or couple comes for counseling regarding an elderly parent, they typically need help sorting out the complexities of the changing relationship, as well as specific direction about the finances.

1. What are your chief concerns about your parent’s physical, mental, and financial health?
2. How have you seen your parent’s condition change in the past few years or few months?
3. What is your parent’s financial status? Is there enough money to pay the current bills?
4. Does your parent need additional care, such as home health care or an assisted living facility?

5. As you consider your parent's future needs for housing, transportation, health, and other necessities, is there enough money in savings?
6. What options have you considered to pay your parent's anticipated expenses in the future?
7. Do you have access to your parent's doctor? Do you have a competent, trusted financial counselor who can help? Have you considered talking to a lawyer about a power of attorney?
8. How are others in the family responding to the needs you see in your parent's life? How is their help (or lack of help) affecting you?
9. How can I help?

WISE COUNSEL 4

When the sons and daughters of the elderly come for counseling, they may express concern for their parents but they also may feel considerable tension about their ability to step into a caregiving role for them. The reversal of roles may be more traumatic and difficult than finding the money to pay the bills.

Sons and daughters need to base their plans and decisions on objective reality, not conjecture or hearsay. If they haven't visited their parent, they need to go there to observe how things really are. They need access to the checkbook and other financial statements if they are going to assume responsibility to help or even to give advice.

Children of the elderly need to recognize genuine emergencies. It's not unusual for the condition of the elderly to deteriorate very quickly. They may lose one or several of their abilities: mental, emotional, physical, financial, and relational.

As children talk to their parents, they need to speak calmly and patiently, expecting resistance, especially if the parents have not appreciated offers of help before. Instead of beginning with demands for compliance, sons and daughters can express their love and their hope for their parent's future; then they can engage in conversation about viable options, considering multiple choices for housing, transportation, health care, weekly shopping, additional income, and other expenses. Adult children who are gaining experience in the Money Huddle and the principles of active listening and communication can use those skills in conversations with their parents.

It may be wise to hire a financial counselor to help sort out the finances and come up with a workable budget. In fact, this may be part of the adult children's preparation for the first conversation with the parent.

The stress of caring for an elderly parent can take its toll on a marriage. Encourage the adult children to take care of themselves as they care for their parents.

ACTION STEPS 5

1. In the assessment, determine the level of stress the adult child feels in attempting to care for his parent. Quite often the strain of this care becomes a significant factor in causing harm to a marriage and health.

2. Explain the principles of good communication and conflict resolution. Help the client learn how to communicate clearly and frequently with a spouse before attempting to have a difficult conversation with a parent.
3. Explain that usually the adult child's role isn't to force the parent to do anything. It's important to maintain a good relationship, so the child needs to communicate with love and respect, being willing to compromise instead of control. He needs to stay calm and gracious, expecting resistance, and patiently letting the parent process ideas and options.
4. Suggest that the adult child get a handle on the parent's finances, asking, not demanding. In addition, he needs to consider alternatives, such as a power of attorney, when a parent can't take care of himself.
5. Suggest that the client find a financial manager or an attorney if needed.
6. Remain engaged with the client to offer support and encouragement during the long months and years of trying to care for an elderly parent.

6 BIBLICAL INSIGHTS

Do not rebuke an older man harshly, but exhort him as if he were your father. Treat younger men as brothers, older women as mothers, and younger women as sisters, with absolute purity.

1 Timothy 5:1-2

We may feel exasperated and be tempted to be impatient when we relate to our elderly parents, but God will give us grace to treat them with the utmost respect—even when they don't treat us that way.

Anyone who does not provide for their relatives, and especially for their own household, has denied the faith and is worse than an unbeliever.

1 Timothy 5:8

Patiently and persistently caring for our parents in their old age is a sign to others of our true faith in God.

Rejoice in the Lord always. I will say it again: Rejoice! Let your gentleness be evident to all. The Lord is near. Do not be anxious about anything, but in every situation, by prayer and petition, with thanksgiving, present your requests to God. And the peace of God, which transcends all understanding, will guard your hearts and your minds in Christ Jesus.

Philippians 4:4-7

Caring for an elderly parent is sometimes rewarding and wonderful but often painful and difficult. We need to remember that we're never alone. God is near. As we pray and thank God, his Spirit will give us peace, joy, and love for our parents.

“Honor your father and mother”—which is the first commandment with a promise—“so that it may go well with you and that you may enjoy long life on the earth.”

Ephesians 6:2-3

Our parents aren't projects to be managed; they are the people who gave us life. No matter how old and infirm they are, we can honor them with love, patience, and respect. God promises to bless us as we bless them.

PRAYER STARTER 7

Father, you love our parents even more than we do, and your heart breaks when you see them suffering in old age. Give us wisdom and patience as we try to help. Sometimes we get so tired, but we remember how you care for us so persistently. Thank you for the honor of caring for those who gave us life . . .

RECOMMENDED RESOURCES 8

Munchbach, Jim. *Make Your Money Count: Connecting Your Resources to What Matters Most*. Baxter Press, 2007.

Palmer, Bethany, and Scott Palmer. *First Comes Love, Then Comes Money: A Couple's Guide to Financial Communication*. HarperOne, 2009.

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