



NATIONAL RESOURCE CENTER *for*
HEALTHY MARRIAGE *and* FAMILIES

Healthy Relationships and Financial Management: What's the Connection?



U.S. Department of Health and Human Services
Administration for Children and Families
Office of Family Assistance

February 12, 2013

Webinar Instructions

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Webinar Instructions

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Name	Size
Why Relationship Education M...	377 KB
My Relationship Isn't Perfect_T	300 KB

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Presenters

- **Robyn Cenizal**, CFLE, *Project Director*, National Resource Center for Healthy Marriage and Families
- **Jeffrey Dew**, Ph.D., *Assistant Professor of Family, Consumer, and Human Development*, Utah State University
- **Obie Clayton**, Ph.D., *Donald L. Hollowell Distinguished Professor of Social Justice and Civil Rights Studies*, University of Georgia
- **Anita McKinney**, *Extension Educator - Money Management*, University of Florida Extension



Webinar Agenda

- Why is financial management a healthy marriage and relationship skill?
- What strategies can you use to help clients increase self-sufficiency and strengthen relationships?
- How can you help clients build assets?
- How can you help clients increase financial literacy?
- What is the role of financial management in a healthy relationship?
- How can the Resource Center help?



National Resource Center for Healthy Marriage and Families

- **Mission:** Connecting healthy marriage education skills and safety-net services as an integrated approach to strengthening families



What We Offer

- Research that supports and promotes the integration of healthy marriage and relationship education skills
- Resources, tips, and tools to use and share with the families you serve
- Training and technical assistance to support stakeholders like you, as you work to implement integration strategies



Attributes of Healthy Relationships



Family Stressors



What is Healthy Marriage?

- Mutually enriching; and
- Both spouses have a deep respect for each other.

“...a relationship that is committed to ongoing growth, the use of effective communication skills and the use of successful conflict management skills.”

Source: Office of Family Assistance, Healthy Marriage Initiative
<http://archive.acf.hhs.gov/healthymarriage/about/mission.html#background>.



Healthy Marriage & Relationship Education Skills

CORE

- Communication
- Conflict Management

CRITICAL

- **Financial Management**
- Parenting



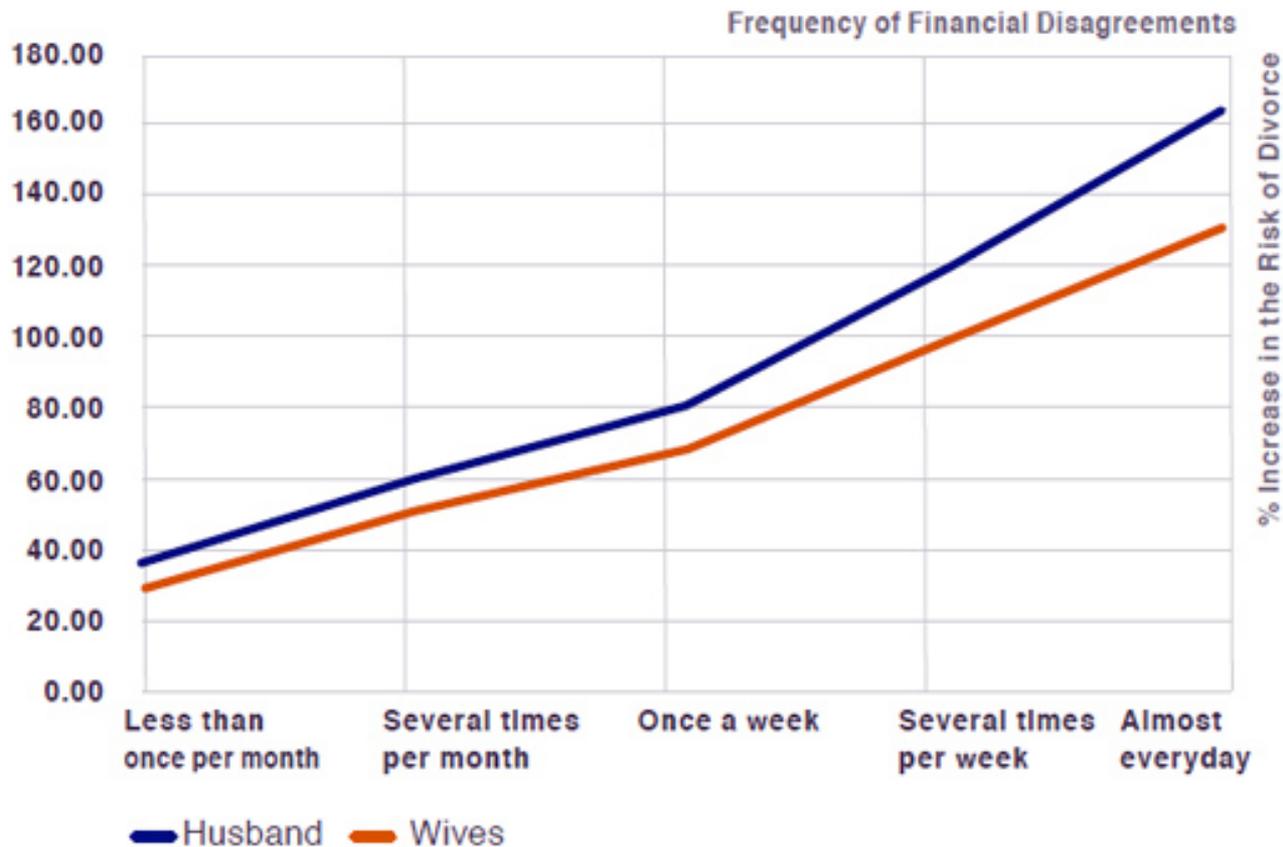
What strategies can you use to help clients increase self-sufficiency and strengthen relationships?

Jeffrey Dew
Utah State University



Financial Disagreements and Divorce

FIGURE 3. THE ASSOCIATION BETWEEN FINANCIAL DISAGREEMENTS AND DIVORCE

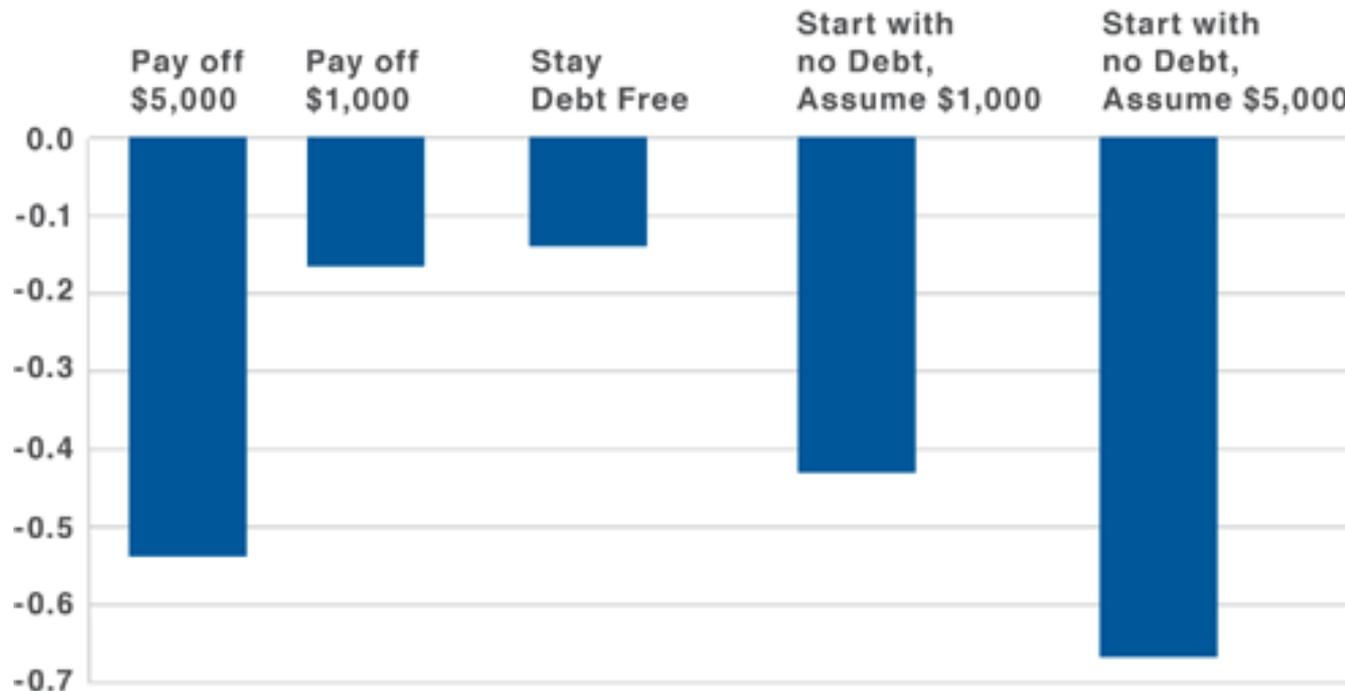


Financial Well-being, Financial Behaviors, Relationship Well-being

- Consumer Debt
- Savings
- Housing Burden Ratios
- Actual Financial Behaviors

Consumer Debt and Marital Satisfaction

FIGURE 1. THE ASSOCIATION BETWEEN CONSUMER DEBT AND DECLINES IN NEWLYWEDS' MARITAL SATISFACTION OVER TIME



Money and Relationship Issues

- Financial conflicts
- Financial pooling
- Contributing to the family



Why These Associations?

- Feelings of economic pressure
- Relationship dynamics
- Meanings of money

Strategies for Safety-Net Service Providers

- Help clients alleviate (at least some) economic pressure with small steps
 - Savings (even a little bit) can be helpful
 - Debt financially and relationally problematic
 - Find small ways to cut back consumption
- Empower their lives
- For clients in relationships – help them to think about why they have the money beliefs/attitudes they hold
- Some don't need relationship skills – some need financial management skills



Additional Strategies

- Help clients use other available community services – extension, non-profit, etc.
- Help for relationship issues
- Help for financial issues
- Be sensitive to cultural diversity
- Be aware of obligations blended families may face



How can you help clients build assets?

Obie Clayton
University of Georgia



Overview of Current Trends Among Low-Income Families

- Low-income individuals and families may have limited (if any) connections to banks and credit unions
- Unbanked individuals rely on the mega-billion dollar fringe economy, which exists parallel to the main economy
- There are several reasons why people are unbanked and unaffiliated with mainstream financial institutions



Breaking the Cycle

- Expose unbanked clients to existing programs and services
- Educate clients on the differences between assets and liabilities
- **Assets:** resources such as cash, gold (including jewelry), stocks, bonds, automobiles, real estate, etc. These resources can grow and increase in value: the key here is growth.
- **Liabilities:** debt and/or financial obligations with the expectation of a payment to end the obligation.

Tools for Asset Building: Individual Development Accounts

- Individual Development Accounts (IDAs) are special saving accounts designed to help low- and moderate-income people save and develop assets
- Savings can only be used for buying a home, starting a business, or furthering education
- Most IDA programs require participants to attend classes on budgeting, the importance of saving, and how to make major purchases including a home

Tools for Asset Building: Bank On Initiative

- Makes it easier for the unbanked to get into mainstream banking
- Provides consumers with financial education and starter accounts
- Began in San Francisco in 2006 and has expanded to other cities around the country
- A great way to help clients gain a better understanding of the banking system and establish a relationship with a bank



Tools for Asset Building: Earned Income Tax Credit

- EITC is available to workers earning \$48,362 or less per year
- Many low-income individuals are not aware of this popular tax credit (only 80% of those who are eligible for this credit, apply for it)
- **Free** help for tax returns is available at Volunteer Income Tax Assistance (VITA) sites and IRS Taxpayer Assistance Centers.
- Advise clients not to pay companies to do their tax returns

Tips for Spending Wisely

- Transportation
- Date nights at home
- Shop for bargains
- Pack lunch
- Grooming at home



Three Points to Drive Home With Clients

- It's important to save, regardless of how little or much.
- Free tax preparation is available for low-income tax filers and they can get a valuable tax credit.
- Encourage clients to do things themselves and employ the barter system when possible. Cutting costs on the basics may be difficult at first but it is possible and the money will grow.



TIP SHEET: Strategies for Helping Couples Build and Manage Assets

Tip Sheet

Strategies for Helping Couples Build and Manage Assets

NATIONAL RESOURCE CENTER for
HEALTHY MARRIAGE and FAMILIES



By: *Obie Clayton and June Gary Hopps, School of Social Work, University of Georgia*

The Great Recession has resulted in record high unemployment from lay-offs, cut-backs, and downsizing. These trends are creating new faces in unemployment lines. For many individuals and families, employment is becoming their most pressing 'basic' need right along with food, clothing, health care and shelter.¹ There is no doubt that the current economic climate has impacted all. However, behind all the statistics is the 'big story'—the number of children living in poverty is growing, through no fault of their own.² The unfortunate news is that they are the least empowered to change their condition. Douglas Nelson, President of the Annie E. Casey Foundation, best summed up a solution to this situation by saying, "...the best way to reduce negative child outcomes is to strengthen our nation's most vulnerable families and in particular to increase their ability to provide some real economic security for their kids."³ This tip sheet is designed to provide information that will be useful to clients who wish to improve their economic position and begin the journey to wealth creation.

Building Assets and Reducing Liabilities

In order to convince the couple of the importance of asset development, it is imperative to convey to them what an asset is—namely, useful resources such as cash, gold (including jewelry), stocks, bonds, automobiles, real estate, etc. When held and maintained, these resources can grow and increase in value: the key here is growth. For many low-income couples, their only asset is an automobile which depreciates over time as opposed to increasing in value.⁴ For couples

who fall into this category, it will be essential to stress the importance of keeping the automobile when it is paid off and using the surplus money to reduce other debts or add to savings.

In contrast, liabilities consist of debt and/or financial obligations with the expectation of a payment to end the obligation. An essential step in asset development is to understand the need to find ways to limit consumption; to save a set amount of money, which over time can and will accumulate; and then to safely invest the savings. In fact, the attainment of most major familial economic goals and objectives begins when the couple takes the time to plan to save and accumulate resources (i.e., assets). No one would deny that savings and asset accumulation will be a hard task in the face of expanding unemployment and poverty. Nonetheless, the first step is key to a more secure economic future for the couple and for their offspring.

Getting Started: Tips for the Professional

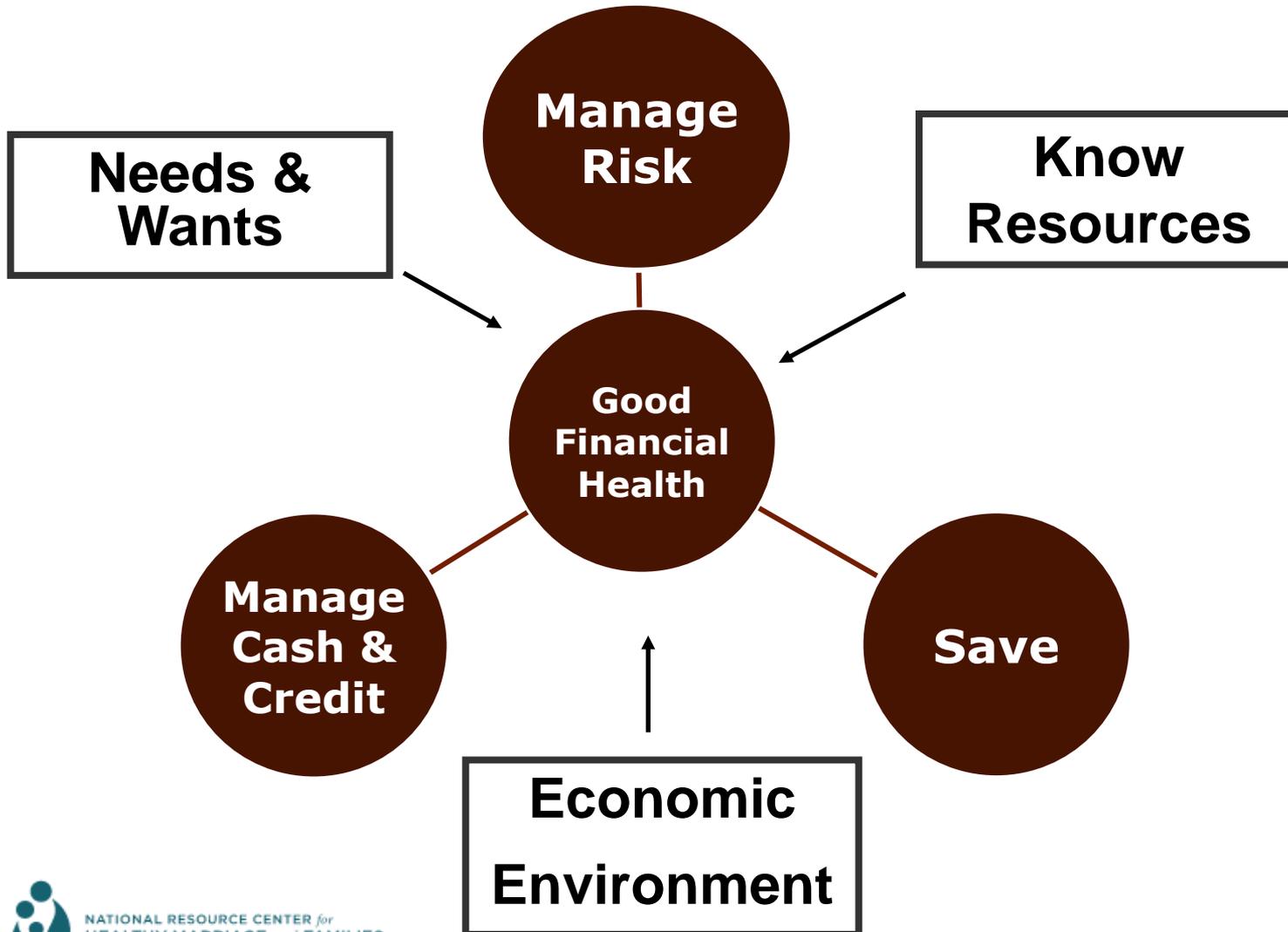
Because poor and overwhelmed couples live largely on the fringe of the mainstream economy, they have limited if any connections to traditional, established economic institutions including banks and credit unions.⁵ These individuals rely overwhelmingly on the mega-billion dollar fringe economy, which exists parallel to the main economy and provides a full menu of services. Pay day lenders; pawn shops; and full service, mainstream banks that offer high interest credit cards and costly overdraft check protection make the fringe economy operative and very profitable.⁶



How can you help clients increase financial literacy?

Anita McKinney
Extension Educator – Money Management

Financial Health



Key Financial Education Topics

- Making ends meet
 - Spending and saving plan
 - Tracking tools
 - Increasing income, reducing expenses
- Goal setting and savings options
- Bank and credit union accounts
 - Comparing costs to alternatives
- Insurance and risk management strategies



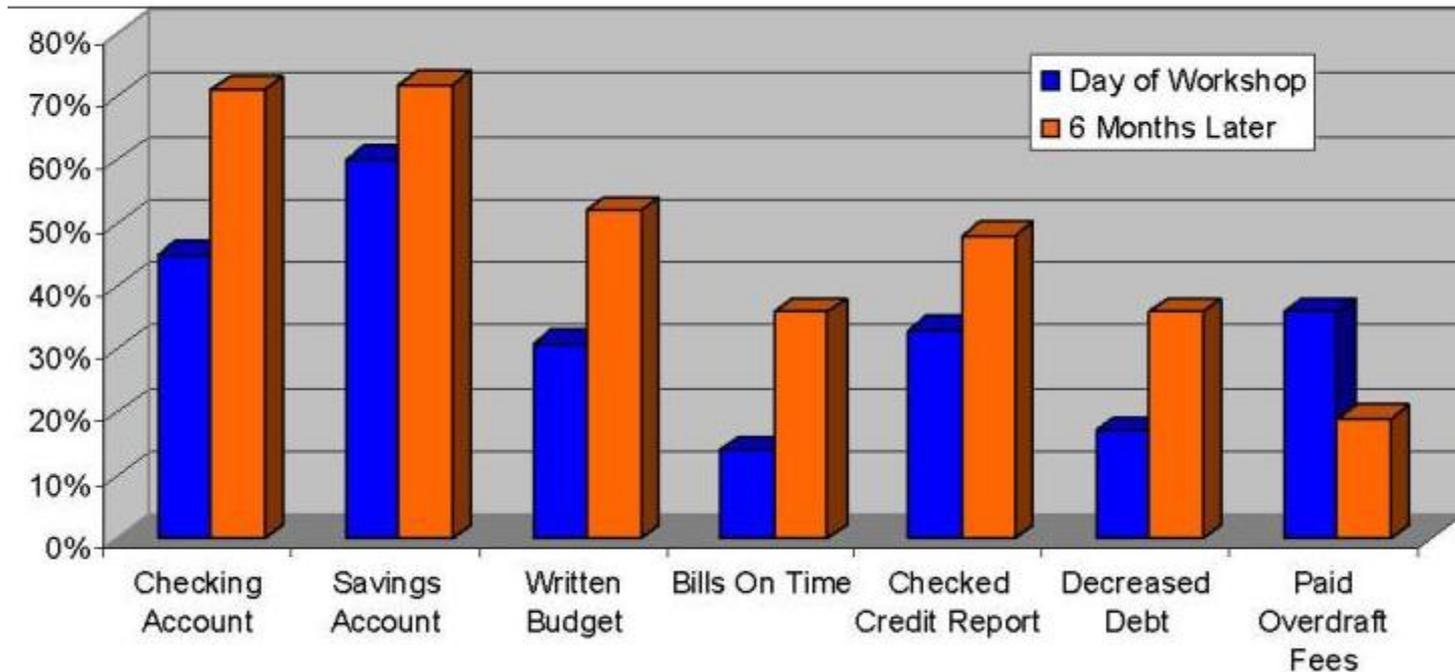
Key Financial Education Topics

- Building or re-building credit
 - Wise use of installment loans and credit cards
 - Avoiding scams and fraud
- Money personalities
- Parents as financial educators



Does Financial Education Change Behaviors?

Does financial education change behaviors?



2010-12 Research Project, Real Sense Prosperity Campaign Jacksonville, FL Ulrich Research Services, Inc. Orange Park, FL



Financial Resources

- Free Tax Preparation
 - EITC
 - Deductions
 - Avoiding Refund Anticipation Loans
- Individual Development Accounts
- Second-chance banking



Financial Resources

- Free credit reports from www.annualcreditreport.com
- Individual financial coaching
- Car-buying programs
- Home-buyer programs
- Nutrition and food-buying education
- Energy conservation programs



What is the role of financial management in a healthy relationship?



Money Matters to Families

- Financial Education
 - Better manage limited resources
 - Reduce risk of predatory lending
 - Increase family stability
 - Set goals and develop plans to achieve them
- Communication is key
 - Couples need to talk about money habits and expectations

How can the Resource Center Help?



[Resource Center Video]

To Ask a Question

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