

Let's talk about money

HOW TO HANDLE TRICKY CONVERSATIONS ABOUT FINANCES



ANTHONY KEANE

Talking about money with partners and family can be tricky, and some topics are so tough they are usually avoided.

However, staying silent risks seriously damaging relationships because anger and resentment can build, so money and psychology specialists have suggested ways to prevent potential pain.

NAB executive Krissie Jones says difficult money conversations often coincide with big life events such as moving out, having children, buying a home or preparing to retire.

"These conversations are often as much about relationships as they are money," she says.

New research by NAB has found half of Australians do not regularly discuss their finances and one in three say money is a source of conflict in their relationship, and the bank has created a new guide to help people start talking. It suggests setting aside 45 minutes once a month to have money conversations.

"Money Mondays encourages small habits, like regularly checking your incomings and outgoings and having open and honest conversations with your partner about your money goals," Jones says.

Psychotherapist Lissy Abrahams says peoples' minds have individual "money programs" shaped by thousands of experiences and messages from parents, family, school and communities.

She says it is important to understand how you think, and then explore your differences with your partner or other family member.

"Have many perspectives ... there are many ways to resolve differences," Abrahams says.

Here are four common causes of



LISSY ABRAHAMS

money conflict, and how to navigate them.

1 OVERSPENDING

Sometimes it's one partner splashing too much cash. Sometimes it's both.

"Savers are often frustrated, upset, or distressed when living with a spender," Abrahams says.

Blake Tooth, an associate adviser at dmca advisory, says it is best to start a conversation when everyone is in a good mood, because talks can sour when a spender gets defensive.

"If you are concerned about overspending, set up accounts so that direct debits and transfers get all your most important expenses covered where everyone can see," he says.

"Then you reduce arguments to the amount left after all vital expenses have been covered. You can leave yourself, or your partner, to manage a discretionary expenditure amount and don't need to nitpick each other over where it goes."

2 COST OF LIVING

Almost every household cost is climbing, and in many relationships something has to give. Tooth says the cost of living is extremely relevant at the moment as many couples discuss reining things in. "At the end of the day, you only have what comes into your account each month," he says.

Tooth says people should be open to compromise and can use spreadsheets to work as a team on household finances.

"Never tell someone to 'just calm down'," he says. "If a discussion is too heated, you might need to have it later. Compromising and establishing shared goals is very important in these conversations."

3 FAMILY FRICTION

Family situations provide plenty of fuel for fights about money, and Tooth says saying no to teenagers and young adults can be difficult.

"This year alone interest rates and the cost of living have risen steeply, and many might be facing financial strain for the first time," he says. "It is best to be upfront early."

Abrahams says spending money on children can create conflict as people have different ideas around what has value, and "financially supporting one's in-laws can cause resentment and frustration".

She suggests each family member "take 10 minutes to write down as many ideas for solving the problem without being attached to any, and then sharing the lists with each other".

"It's important that no idea is shot down or deemed stupid."

4 DEBT DANGERS

Soaring interest rates have made debt a pressing issue for many people, and rising repayments should be discussed calmly.

Abrahams says people have different abilities to tolerate debt,

Ways to get started

- Set a monthly date to discuss finances.
- Set boundaries around honesty and respect.
- Discuss your childhood and money beliefs.
- Discuss current concerns and goals.
- Know the numbers around expenses, income and debt.
- Start a plan for the future.

Source: NAB Money Mondays Conversation Guide

leading to anxiety or fear. She says people will feel great when they control their financial situation, rather than their finances controlling their relationship.

"Crossing your fingers and hoping you will get there one day is not an effective strategy," Abrahams says.

NAB's Jones says people should think about what small daily habits they can start, such as a budget.

"There is something really powerful about writing down your incomings and outgoings," she says.

Controlling debt and spending "can be as simple as setting up alerts on your banking app when you make a purchase, or the balance hits a certain amount", Jones says.

Keep watch over elderly loved ones to help save their lives

TECH REVIEW

JOSEPH LAM

In a not-so-distant future, the kids whose parents kept a close eye on them via smart watches and location tracking will see the tables turned.

Their kids, once grown, will use similar technology to help respond to falls and other accidents in a timely manner as their parents reach the later stages of life.

For many, this has long been a reality. Technology is increasingly

being used to monitor the elderly and the vulnerable, from earpods that double as hearing aids to smart watches that can be used to call family in emergencies.

Local elderly care technology company mCare is one such provider that has, since 2013, sold about 10,000 watches that can provide digital care.

We got our hands on a \$499 mCare watch to try its fall detection, medication reminders and SOS calling features. Cue the welfare check.

While it has many features, users

shouldn't expect the same kind of functionality as Google's new Pixel Watch or the Apple Watch – and rightfully so.

But the mCare Watch does punch above its weight in other areas. Up first: fall detection.

One somersault and five burpees later and the alarm did not go off. But in mCare's defence and testament to my old judo coach, Mr Kim, that may have been a little more to do with technique than the watch.

The GPS accuracy could not be

faulted. We tested the device in several locations in Surry Hills, Sydney, all of which gave the correct address each time.



Welfare checks, which can be sent via a mobile app or via the online platform, are a handy feature that, when not

responded to within seconds, default to a phone call. For dementia patients, mCare can adjust the watch's features so it can automatically answer calls

from a carer or guardian. Other dementia-focused features include a "geo-fence", a tool that allows a carer to set a safe boundary that will notify one of up to six people should the wearer cross it.

The device does have Wi-Fi and Bluetooth capabilities for connecting with blood pressure devices and the likes of hearing aids.

The verdict? This could save a life. In the grand scheme of things, it's a small price to pay for peace of mind. Users will need a subscription of \$35-\$49 a month to cover data, call time and messaging.