



Financial Well-Being: More Than Making Money

by MARIE WALL

Are you aware you have a relationship with money? Whether it is healthy or unhealthy, we all have an attachment to money that underlies how we earn, spend, save, or desire it. A healthy financial relationship is learned over time. At a very young age some of us may have acquired valuable knowledge in financial management from our parents or family members, while others constantly struggle to maintain financial stability in our lives. As adults we can choose to continue our old patterns with money or learn to deal with money in a way that allows more financial freedom. As with all aspects of our lives, money and finances require our attention and with a willingness to learn more, financial confidence can be strengthened.

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The need to become more aware of what we are earning and how we are dispersing our wealth is essential to feeling and living better with money. I am not a financial counsellor but I too have had to confront my relationship with money. This has been an ongoing battle and I have decided it will be my personal theme this year. I have committed to learning about finances, making decisions about my financial welfare and setting goals to attain a healthy lifestyle that offers financial freedom rather than a worrisome burden.

What is financial well-being? It is the ability to use financial resources effectively and requires awareness about earnings and expenses. Being mindful of your outlook towards money and changing those attitudes can help you acquire the healthy financial relationship you would like. This may require you to talk about your financial experiences and create goals that are attainable.

One of the stumbling blocks to financial well-being is our inability to talk openly and honestly about it. Imagine telling someone the full details of your finances. Now consider the feelings that have arisen. Feelings of embarrassment, shame, incompetence or isolation are not uncommon for people who are overwhelmed by financial obligations. Most of us have been taught that our financial affairs are “private” and not to be spoken about (not unlike sex in the past). Unfortunately, many of us have taken this attitude to heart and therefore don’t speak about our financial health, not even to our partners. Lack of financial communication is often the reason people become overwhelmed with debt and worry over monetary issues. Personal finances can be a great source of stress and are often the root of many arguments and physical health problems. One survey shows that arguments over money management was the number one reason for divorce (Cash, 1999).

Being aware of our personal financial position is an essential first step to taking better control of our financial life. Let’s focus on the management of our income for one month. Take a sheet of paper and draw two columns. In the left column record the amount of your net pay, and in the right column record all your expenses for the month. Total them up. Now compare your earnings with your obligations. If you have more income than expenses you may be doing okay. Conversely, if your expenses outweigh your income, you need to either find a source of supplemental income or begin to take measures to reduce your spending.

The financial decisions you make today impact on what you are able to do tomorrow. Think about financial decisions you have made in the past. The choice to purchase an item may limit your current available resources. Borrowing to purchase, whether through a bank loan or credit card, is committing your future income and limiting your available resources. Just think about this... how many people would commit to donating \$200 per month to the charity of their choice, yet pay this amount to financial institutions each month in interest charges? If you are paying large sums

of money to your creditors in interest charges, you may be spending more than you can afford. Would you rather commit to paying interest to financial institutions or retain this money for your own use?

Our view of money influences how it is managed. Do you consider money to be a commodity or a necessary evil? Does it represent your worth? Is it a replacement for love? Does money give you energy? Commodities are disposable; they are used up and replaced. If your attitude toward money is as a commodity it too is disposable, and conversely your goods or services may be disposable as well. Many of us dislike having to deal with financial issues and feel a loss of power by allowing someone else to control them. In this instance the separation from one's earning power and purchasing is filtered through someone else. When money is the marker for worth or love it is a replacement for emotional connection. As a result, we can become greedy and never feel satisfied that there is enough, or lead impoverished lives feeling we don't deserve to live well.

The challenge that is presented to all of us is to work with the money we have. Many of us are of the misconception that earning more money (such as getting a raise) will allow us to do the things we want, to pay our debts, go on a vacation, or prepare for retirement. Our income is always limited, therefore we have a choice to live within our means or to live on borrowed time – credit. You decide!

I hope this article has given you pause for thought. My intention has been to help you take that first step and begin to consider what you want. Have you considered using personal finance books to learn more about how to set goals and achieve them? Numerous teachers have been assisted by personal credit counsellors to help them pay down debt, budget, and attain financial balance in their lives. If you would like more information about these services, we would be pleased to assist you.

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